

EXTENSIONS OF REMARKS

PEACEMAKING IN THE MIDDLE EAST: THE NEXT STEP

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FINDLEY. Mr. Speaker, "Peacemaking in the Middle East: The Next Step," an article by Shai Feldman, appearing in the spring 1981 issue of Foreign Affairs, offers creative proposals for reaching peace in the Middle East. I strongly urge my colleagues to read this important article by Mr. Feldman who is a research associate at the Center for Strategic Studies of Tel Aviv University.

I have circulated a copy of the full text of this article to each member of the Committee on Foreign Affairs but have condensed it to reduce printing costs. I hope these excerpts will encourage my colleagues to obtain and read the article in its entirety.

PEACEMAKING IN THE MIDDLE EAST: THE NEXT STEP

(By Shai Feldman)

Three years into the Camp David process, it is time to question its continued usefulness. On the level of their bilateral relations, Egypt and Israel continue to fulfill their respective obligations under the 1978 Accords and the March 1979 Peace Treaty. Yet attempts to elaborate and expand upon these agreements in an effort to achieve a comprehensive Middle East peace have met enormous obstacles. Negotiations over the proposed "autonomy" for the West Bank and the Gaza Strip are nearing a dead end. At issue are the most fundamental national aspirations and interests of the parties involved. Their differences on these issues can no longer be papered over by ambiguous legal formulations. Efforts to overcome these various problems incrementally are unlikely to produce significant results.

In Israel, enthusiasm for the proposed West Bank autonomy has withered—a process that began almost as soon as the plan was conceived. Increasingly, Israelis conclude that "real autonomy" can lead only to an independent Palestinian state—a perception which is not shared by their Palestinian neighbors. The fundamental problem from Israel's perspective is whether it can afford to yield control over the West Bank. The area's proximity to the state's essential core makes this a critical issue. The establishment of a possibly radical Palestinian state so close to Israel's heart is a source of much Israeli concern. Fear that such a state would threaten Israel's very existence is widely shared.

With such fears, Israel's flexibility in the autonomy talks is necessarily limited. * * *

Other parties to the "autonomy" talks do not enjoy greater room for maneuver. At stake for Egypt is her ability to escape her present isolation within the Arab world. Having broken ranks with her former allies by signing a separate peace treaty with

Israel, Egypt must now devote much effort to restoring her regional ties. To achieve this goal, Egypt needs to demonstrate that she continues to care for her Arab brothers. Her ability to establish her former position of leadership in the Arab world requires that she champion the Palestinian cause with no less enthusiasm than her chief competitors. Egypt must show that her political strategy will bring greater gains for the Palestinians than will the "military-confrontation" strategy of Syria and Iraq. Her ability to deliver Palestinian self-determination would provide conclusive evidence of the utility of her political approach.

For the Palestinians, the ever-absent party to the "autonomy" triangle, the dilemma is no less cruel. The Camp David agreement calls for the participation of West Bank Palestinians in the autonomy negotiations. However, the latter refuse to join the talks until permission from the Palestine Liberation Organization is received. The PLO, in turn, faces three difficult choices. By refusing to sanction the participation of local Palestinians in the autonomy talks, it loses a clear opportunity to exert indirect influence over the negotiations' outcome. On the other hand, were the PLO to permit such participation, it would risk the possibility that the West Bank leaders would exploit the talks to establish independent power bases of their own. A third PLO option—joining the negotiation process directly—is likewise hazardous. Its advantage would be in providing the PLO, for the first time, with direct leverage on the negotiations' outcome. However, such a move would have to be made outside the Camp David framework, which recognizes no role for the PLO. In addition, it would require that the PLO meet America's preconditions for negotiation: recognition of Israel's right to exist, and acceptance of U.N. Resolutions 242 and 338, which envisage a peaceful settlement entailing Israeli withdrawal from occupied territories in return for Arab recognition of Israel's integrity as a sovereign state within secure and recognized boundaries.

The three regional partners to the proposed autonomy scheme are thus completely deadlocked. Substantial progress in these negotiations is extremely unlikely. As long as the issues involved are weighed in their present context, a regional settlement is unlikely to result. An alternative framework is urgently needed.

The proposed "Jordanian option" is unlikely to provide a viable alternative to the "autonomy" framework. This option calls for Israeli-Jordanian negotiations aimed at returning large portions of the West Bank to Jordan's control. However, whether King Hussein would agree to negotiate such a deal is still a question. At present, Israel will not—indeed, cannot—meet Hussein's minimal condition for such talks, namely an expressed Israeli willingness to withdraw from the entire West Bank, including East Jerusalem. Small wonder, then, that Jordan's

king remains dubious about the entire exercise, emphasizing his acceptance of the PLO's role as the Palestinians' only legitimate representative.

Israel's moral fiber weakened after the 1967 War because the two principal sources which had sustained it up to that point no longer existed: a new reality threatened to compromise the preferred character of the Jewish state; and Israel's leaders refused to address the apparent dilemma, thus allowing the state's character to be eroded. Increasingly, Israelis raised fundamental questions about the purposes of their state and the nature of the road it was taking. Basic political and moral objections to Israel's foreign and defense policies were raised: many Israelis queried whether their leader's demand for absolute security would not lead to permanent war. Such objections found widespread expression during the 1969-70 War of Attrition, and later, as Israelis found that controlling the increasingly hostile Palestinians in the West Bank and the Gaza Strip was a rather unpleasant proposition. Thus, Israel's national consensus on the basic principles of its policy was significantly eroded.

Seen from this perspective, Israel has a fundamental interest in ridding itself of control over the West Bank. Numerically inferior to its adversaries, the state must rely on superior quality and high motivation among its citizens. To withstand their more numerous enemies, Israel's citizen-soldiers must be completely persuaded of the purposes of their state's policies. Once its national consensus is lost, Israel's very survival is in question. A return to lines approximating those held prior to the 1967 War implies both the return to the borders of a Jewish state and the reconstruction of its national consensus. It would constitute a reestablishment of the common denominator uniting all Israelis. Were they ever attacked again, they would at least enjoy a common purpose and common conviction that they had done everything possible to establish peace. Thus, the high motivation of Israel's soldiers will not be in doubt. This by itself is a major factor to be considered in weighing the security risks associated with giving up control over the West Bank.

Israel's withdrawal from the West Bank could be implemented only in the framework of a new national security package encompassing four elements: first, a new role for Israel in the Western alliance system; second, security arrangements in the West Bank for the post-withdrawal era; third, an international economic effort to maximize both West Bank economic development and its interdependence with the economies of Israel and the more pro-Western Arab States; fourth, an explicit nuclear deterrence posture. Within such a national security package, the significance of the West Bank would decline. This would allow Israel to recognize Arab sovereignty over the entire West Bank and to withdraw from almost all its territory.

The first element in Israel's proposed national security package is an enhanced role

in the Western alliance system. More precisely, Israel should be made an integral part of the alliance's efforts to secure Western interests in the Persian Gulf. This would increase Israel's deterrent profile: potential adversaries would be made aware that the Western alliance system has important stakes in Israel and that an attack on her could lead to a direct clash with the alliance.

By virtue of its geographic location, domestic stability, utter reliability, highly skilled manpower, and extremely potent air, naval, and ground forces, Israel has much to offer to the Western alliance.

Israel could make a number of contributions to the Western alliance. First, Israel's air bases, including the two new bases now being built in the Negev, could be adjusted to make them interoperable with the U.S. Air Force. This would allow their use for the staging of operations such as those envisaged above for the Rapid Reaction Force, and later for the Rapid Deployment Force. In addition, Israeli bases could be used for the staging of bombing operations. For example, if the Soviets were to begin an invasion of the Persian Gulf, operations could be staged from Israel to hit chokepoints in the Soviet advance. Second, munitions, fuel, food supplies, drinking water, communications equipment, and medical gear could all be pre-positioned in Israel. Such pre-positioning would have the advantage of proximity to critical areas where the deployment of the RRF and the RDF might be required. The critical importance of large quantities of drinking water became apparent during the latest exercise held by elements of the U.S. 101st Airborne Division in Egypt (Operation Bright Star). The pre-positioning of jet-engine fuel would allow for air-refueling operations by KC-135 tankers to be launched from Israeli bases, thus extending the ranges of such tactical aircraft as the FB-111.

Third, Israel could provide "real time" intelligence on domestic developments in the region. Such intelligence would be required for the timely employment of the Rapid Reaction Force. In addition, Israel could help in providing some air and naval cover for such a force. Fourth, should a military clash require the deployment of America's airpower in the farther corners of the region, Israel's land-based airpower could be employed to defend U.S. aircraft carriers. If these carriers were stationed in Israel's proximity, Israel's Navy could also be used for that purpose. Finally, in a grave crisis, Israel's air and naval forces could defend strategic chokepoints, such as the Straits of Bab el Mandeb.

In planning and preparing for such contingencies, Israel would be able to share with the Western alliance its rich combat experience in the region. Such sharing could take the form of employing Israeli advisers in desert warfare exercises held in the United States; the presence of U.S. training staffs in similar exercises held in Israel; joint planning for contingencies requiring U.S.-Israeli cooperation; and the joint conduct of war games.

Finally, Israel may have a number of contributions to make in the event that the alliance became involved in a prolonged, high-attrition military conflict in the Gulf. Israel could fulfill a wide variety of supportive and back-up roles for the combatting forces; for example, high-quality maintenance as well

as excellent medical services could be provided. The surge capability of Israel's armament industry could play an important role as well, particularly since ammunition shortages are expected to be a critical problem in a battlefield characterized by the extensive use of modern armor and precision-guided munitions.

An enhanced role for Israel in the Western alliance system would differ markedly from past suggestions that Israel should trade its control of the West Bank for an American security guarantee. Whereas a guarantee would institutionalize dependence—with a debilitating effect on the nation's morale—the concept advanced here would establish interdependence. Israel would be dependent on the Western alliance, but the alliance would also become more dependent upon Israel. Thus, relations would be characterized by a far greater degree of symmetry than is the case with unilateral security guarantees, increasing the likelihood that the concept would be acceptable to Israel's body politic. In addition, since it would rest on enduring mutual interests, the commitment would enjoy far greater credibility.

The second component of the package involves security arrangements in the West Bank following Israel's withdrawal. These should include prohibiting the introduction of heavy armaments into the West Bank for Arab forces, and, conversely, permitting the stationing of Israeli early-warning systems, surface-to-air missiles, and pre-positioned stocks in very limited areas. The limited real estate required for these purposes should be leased, without prejudice to Arab sovereignty over the entire West Bank. Also emphasis should be placed on avoiding friction with the area's residents. Therefore, the large-scale stationing of Israeli ground forces in the West Bank should be strictly avoided.

Many fear that terrorism directed from the West Bank against Israel will grow once Israel withdraws from the area.

A measured assessment of the risks of terrorism, however, must take account of the problem's relative importance. Yearly, Israel's casualties from terrorism amount to from one-tenth to one-fifth the number of casualties caused by traffic accidents. Terrorism has resulted in many personal tragedies, but for the nation it does not constitute a major strategic threat. In Israel's case, a national strategy which is otherwise sound should not be rejected simply because it does not provide an answer to terrorism. One may also argue that with Israel's withdrawal from the West Bank—allowing for a resolution of the Palestinian problem—the incentives for terrorism would diminish. In addition, the future Arab sovereign of the West Bank would have a strong vested interest in arresting terrorism.

A major potential threat for Israel is that following her withdrawal, the West Bank will drift toward radicalism and its new rulers will initiate either terrorist or more organized forms of violence. The third component of the proposed security package addresses this threat. Its basic premise is that the ability to deter terrorism should be augmented by a network of incentives barring the West Bank's possible radicalization. These incentives should include a dramatic

development of the West Bank economy, as well as making it interdependent with the economies of Israel and pro-Western Arab states.

To be sure, economic interdependence by itself cannot provide peace and stability. If anything, the causal relationship between interdependence and peace tends to be in the reverse direction—without a strategic and political framework providing general stability, economic relations do not reach a level allowing the creation of interdependence. Clearly, there is a feedback relationship: once interdependence is established, the costs of dissociation increase, thereby enhancing stability and peace. However, an appreciation that interdependence can only cement the blocks arranged by a proper strategic and political framework is required, so that unwarranted expectations—and, later, unnecessary disappointments—could be avoided.

Israel's withdrawal from the West Bank and the Gaza Strip might well reduce the Arabs' motivation to wage war against Israel, but it would not eliminate this motivation entirely. Arab challenges to Israel's survival might yet recur. Since the aforementioned components of the proposed security package do not fully meet the dangers entailed in such recurring challenges, an additional deterrent is needed. Therefore, Israel should develop the capability and adopt an appropriate strategy and doctrine for overt nuclear deterrence. This comprises the fourth element in the proposed national security package.

In terms of capability, Israel should develop nuclear weapons in a quantity and of a yield sufficient to demolish salient targets in each of the Arab states. The suggested doctrine is countervalue—that is, threatening the destruction of cities and resources. It should consist of a simple but intentionally vague declaration that any attempt to cross Israel's borders by a significant military force would be countered with extremely high levels of punishment. The strategy's purpose would be to deter the Arab states from pursuing most forms of violence against Israel by letting them know that she possesses the means for devastating punishment.

The central thrust of this essay is the creation of a new Israeli national security package, providing a new strategic context in which the West Bank's current pivotal role in Israel's security is altered, thus allowing Israel's withdrawal from the area. The willingness to carry out such a withdrawal is a prerequisite to the implementation of either a "real autonomy" or the "Jordanian option." Given a willingness to withdraw, both are feasible avenues to a comprehensive Arab-Israeli accommodation. And, on balance, they involve a similar mix of risks and opportunities. Essentially, both constitute "Palestinian" options: the "real autonomy" would quickly lead to a "small" independent Palestinian state in the West Bank and the Gaza Strip; the Jordanian option would over time lead to a large Palestinian

state, encompassing the Gaza Strip and both banks of the Jordan River.

Only after Israel has gained the support of her staunchest ally, the United States . . . will she be able to initiate the difficult steps toward a comprehensive Middle East settlement. ●

DEANO C. CERRI: A GREAT UNION MAN

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, I rise today to honor Deano C. Cerri, senior business representative of the United Brotherhood of Carpenters & Joiners Local 2046 in Martinez, Calif. who will be retiring on June 30 after 33 years as a member of the union.

Deano joined local 2046 in 1948, and has served as a business representative for 12 years, the last 4 as senior business representative. In addition, Deano has been active in the Bay Counties District Council of Carpenters, and as a member of the board of trustees of the carpenters apprenticeship and training fund for all of northern California.

Beyond his union activities, Deano has exemplified the best qualities of the union movement with his active role in community affairs. He has long been involved with the Boys Clubs of America, serving on its board of directors and as its president.

It is with some sadness that I wish Deano a fruitful and enjoyable retirement, for his contribution to local 2046 will surely be missed. His dedication to the betterment of his fellow workers is a tribute to the best that the labor movement has to offer, and I hope that we will continue to have such dedicated union members as Deano Cerri. ●

USICA INTERVIEWS MIKE BARNES

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GEJDENSON. Mr. Speaker, our colleague MIKE BARNES, chairman of the Subcommittee on Inter-American Affairs, on which I am privileged to serve, was interviewed in March by Judy Hurley, staff correspondent of the U.S. International Communications Agency. Ms. Hurley's article, which was sent to all USICA posts in Latin America, describes Chairman BARNES' hopes and plans for the subcommittee during the 97th Congress,

and sets forth some of his views on Latin American policy. Because of the interest we all have in Latin America, and the importance we attach to the work of the subcommittee, I wish to include the article in the RECORD at this point.

CONGRESSMAN PLANS TO HIGHLIGHT UNITED STATES-LATIN AMERICA POLICY

(By Judy Hurley)

WASHINGTON.—The crowd in the stately corridor of the Rayburn House Office Building of the U.S. House of Representatives grew as lobbyists, students, churchmen and women, government officials, and journalists waited for the doors of the Foreign Affairs Committee room to open. Not everyone was able to get into the room, but those left out and millions of other Americans across the United States did find out what transpired through news programs and newspapers. The subject of that hearing, March 11, and of two other equally crowded previous hearings was U.S. policy toward El Salvador.

Michael D. Barnes (D-Md.), Chairman of the Inter-American Affairs Subcommittee, was probably very pleased with what happened that afternoon. For just as the Reagan Administration has focused its primary foreign policy attention in its first two months in office on Latin America, so too has there been a renewed focus on the area in Congress. Rep. Barnes has revitalized the subcommittee, both legislatively and in the public eye, saying that for too long, except when there is a crisis, too little attention has been paid to Latin America.

"I hope that the subcommittee can be a forum responsible for a long-range look at Latin America and at how conditions in Latin America can be improved," he said, during a recent interview. "With the change of administration and the change in the Senate, there is some feeling in the House that there ought to be a forum for responsible discussion of administration policy by supporters and critics, and in a responsible way the subcommittee can supply that kind of forum."

Not since the 1978 Panama Canal Treaty hearings on the other side of Capitol Hill in the Senate has there been such public interest in the U.S. policy toward its hemispheric neighbors. With the Reagan Administration emphasis on Latin America, especially events in El Salvador and Nicaragua and terrorism throughout the area, so too has the legislature become more concerned with the importance of activities in the hemisphere. The legislators are in a position to approve or reject President Reagan's requests for appropriations, and as in the case of Barnes' hearings, to force issues into public debate. Through meetings of his subcommittee, Barnes has presented to his colleagues in the House a variety of opinions and viewpoints providing background on Latin American affairs.

Barnes' role is especially important in the 97th Congress, because for the first time in 25 years, the Democratic-controlled House of Representatives finds itself confronted with a Republican-controlled Senate and a Republican administration.

But while Barnes and the Foreign Affairs subcommittee are focusing on the current problem in El Salvador, it is Barnes' intention to take a long-range look at relations and to also sort out U.S.-Latin American problems.

Except during a crisis, "far too little attention has been paid to Latin America," Barnes said. "We have also tended to see

Latin America as one entity and . . . tried to package one policy for all of Latin America.

"There is such a divergence of cultures and nations that it takes a much more sophisticated approach, and I would hope that our subcommittee can contribute to that kind of sophistication," he said.

In the last month, Barnes has begun turning his ideas into action. The Committee has heard from scholars on Latin America and reviewed U.S. sanctions against Chile, in addition to carrying out the lengthy examination of the U.S. role in El Salvador.

"Economic deprivation and political repression" are the major concerns in the region that have to be addressed "pretty directly," Barnes said.

"Economic deprivation fomenting unrest and political repression fomenting unrest. People are not able to live with any kind of dignity if they are in fear of their own governments," he explained. "You will constantly have the danger of instability; so it is in the United States' interest and in the interest of the people of Latin America to have as rapid as possible economic development and increased political freedom and human rights."

"The desire of outsiders to take advantage of the economic and political problems—as clearly the Cubans will" is another reason for the United States to give economic help and to push for political reforms, Barnes said, pointing to the Reagan Administration's proof of outside intervention in El Salvador.

But Barnes also feels that the administration is putting too much emphasis on Soviet activities in the hemisphere. "Our policies with respect to Latin America," he said, "need to be sufficiently sophisticated to recognize that not everything that happens is part of the East-West problem."

While economic, political, and human rights problems vary markedly from country to country throughout Central and South America and the Caribbean, Barnes feels "it is important that the people have the perception of the United States as a country that cares whether their lives are improving, and whether or not their freedoms are increasing."

While there has always been what he calls an "arrogance of power" in the way the United States has traditionally dealt with Latin America, Barnes said, the United States has been such a factor of life there that "we can't deny some ultimate responsibility for what is going on there . . . If we just sat back today, we will have changed our policy of the last 50 to 100 years . . . If we were to say it is not our role now, and not at least encourage reform, it seems to me we would be taking a pretty unrealistic approach."

One of the concerns some Members of Congress have now, he said, is that the Reagan Administration may be giving the perception that all the United States is concerned about is its own self-interest, particularly security interests.

It must be generally understood throughout the world, he said, that the United States cares about other things. "We are not worried about freedom of the press, for example, just for the people in the United States. We also care whether people in all of Latin America, including Cuba, and places like Poland, Afghanistan, and the Soviet Union have freedom of the press. It should not be a one-sided policy."

The United States needs to have a combination of continued public statements and private discussions to encourage human

rights, he said. "It is important that we, in a public way, on a regular basis, restate our commitment to basic human rights as an element of our relationship with other countries. If we don't stand for that, we don't stand for much of anything."

"I think there are instances where the public posture of the United States in respect to human rights is important," he explained. "I also think that there are many specific instances where more can be achieved by privately—quietly—making a case."

Immigration will be another major issue of the next few years, Barnes pointed out, adding that he would like to hold joint hearings on the question with the Judiciary's Subcommittee on Immigration, Refugees, and International Law.

Immigration, especially with respect to Mexican workers, could raise a "lot of interesting questions about how our economy works, how these people are being exploited, what the impact of an open door policy would have on our inflation rate . . . A lot of questions that are not simple to answer," he said.

Barnes also would like his subcommittee to investigate international narcotics control.

The biggest legislative responsibility of the subcommittee is determining appropriate military and economic assistance for countries in the Western Hemisphere. That is expected to take up a lot of the committee's time.

Barnes said that the committee will be looking at the Reagan Administration's request for aid and hopes "there will be some consultation with Members of Congress as that develops."

The 37-year-old Congressman represents a legislative district close to the nation's capital and comes to the chairmanship this year after only one term in Congress, but with several years of experience in American politics. A lawyer, Barnes did postgraduate work in international economics in Geneva. He was a special assistant to then-Senator Edmund Muskie during Muskie's 1970-1972 campaign for the presidency and was executive director of the National Democratic Platform Committee for the 1976 Democratic National Convention. ●

HUMANE TRANSPORTATION OF HORSES INTENDED FOR SLAUGHTER ACT OF 1981

HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. HAGEDORN. Mr. Speaker, I am today introducing a bill entitled "the Humane Transportation of Horses Intended for Slaughter Act of 1981." This bill is prompted by growing reports of serious shortcomings in the manner in which some horses are transported to slaughter. This legislation is intended to halt these abuses by filling in one of the few gaps in our laws governing the humane handling of animals.

The high cost of food, and particularly for meat, in Europe and Asia combined with the foreign taste for horsemeat has created a strong

demand in America for slaughter horses. This demand has led to a dramatic increase in the price paid for horses as slaughter animals and a concomitant increase in the number of horses trucked to slaughter plants. These increases in the slaughter horse traffic have attracted some truckers who lack the knowledge or concern to handle these animals in a humane manner during shipment.

In these instances, horses are placed in overcrowded trucks, denied proper watering and food, not unloaded to relax cramped muscles, and handled callously. There are all too frequent reports of horses tied head and tail to the trucks, vehicles without enough headroom, with sharp protruding edges which cause serious wounds. Often young foals are mixed with adult horses resulting in the young animals being trampled to death.

In the last 10 years, the number of horses slaughtered at USDA-inspected plants has increased from fewer than 60,000 to more than 320,000. The prices paid for these horses has increased from 20 cents per pound to 50 or 60 cents per pound. The volume and dollars involved has resulted in an equal increase in cases of severe abuse of the animals.

A Federal solution is required to meet these problems for two reasons. First, the abuses take place in interstate commerce and fall within the traditional jurisdiction of Congress. Slaughter horses are generally shipped through several States, and some are destined for shipment directly to foreign nations. Unfortunately, there are no Federal laws governing the shipment of these animals. While a few States have enacted laws and regulations dealing specifically with horse transportation, these requirements apply only to the shipment while it is in that State. A Federal law is necessary because the abuse transcends State lines.

Second, the State laws dealing with humane treatment of animals, particularly slaughter horses, are rarely effective and lack uniformity in the few States which have enacted rules to govern these shipments. Most States do not even have rules governing slaughter horses, and rely on antiquated and inadequate cruelty statutes.

Another side effect of the growing horse meat trade has been an increase in the number of horse thefts. Slaughter plants provide a ready market for stolen horses since they are not interested in the breeding or confirmation of the animal involved. While this bill does not deal directly with the theft problem, I welcome suggestions from interested parties how this can be handled.

This legislation intends to provide for humane treatment of these horses. It directs the Secretary of Agriculture to establish regulations governing the

humane handling, care, treatment, and transportation of slaughter horses. These standards must include minimum provisions for feeding, watering, loading, sanitation, ventilation, shelter from the weather, and vehicle specifications. The legislation authorizes the Secretary to investigate and inspect the vehicles and horses in transport as he deems necessary and provides civil and criminal penalties for violators.

We have Federal legislation regulating the ways animals are slaughtered once they arrive at the plant, yet these laws seem inconsequential if the horses are mistreated in shipment to be slaughtered. Many of the slaughter plants agree with the intent of this bill not only because they have no wish to see the horses suffer, but because horses transported in a humane manner have greater value for their business.

The time is long past for the protective legislation. We have an obligation to halt these unnecessary abuses and I hope my colleagues will join in cosponsoring and supporting this bill. ●

CIVIL SERVICE RETIREMENT CREDIT

HON. BOB SHAMANSKY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. SHAMANSKY. Mr. Speaker, today I am introducing a private bill to secure civil service retirement credit for certain present and former employees of the Defense Construction Supply Center in Columbus, Ohio. This legislation, proposed by my predecessor, Mr. Sam Devine, in the 96th Congress—H.R. 8165—concerns 51 employees who, from the late 1940's until the mid-1960's, worked as supply catalogers, performing Federal cataloging services for private companies under contract with the Department of Defense. During this time, these individuals worked side by side with civil servants and their work was supervised and controlled by Federal civil service personnel. In the early 1960's, when the Government decided to undertake this cataloging function itself and established the Defense Construction Supply Center in Columbus, these employees were automatically assumed into the Federal civil service where they performed the same job duties previously performed as private employees at the same Government site.

The purpose of this private bill is to grant each of the 51 affected employees a measure of retirement security by increasing the number of years for which they would receive credit in the computation of their civil service retirement annuities. While inequities of

this sort are not often resolved via private legislation, precedent does exist for unique situations similar to that presented here, see, for example, Private Law 93-123. Further, in these times of fiscal restraint, it is important to note that this bill would not impose any direct costs on the Federal Treasury, since it provides for a transfer of retirement credit from the social security system, into which the employees have already contributed, to the civil service retirement system. By no means would the affected employees receive duplicative benefits.

I urge my colleagues to support this bill which would grant these 51 employees an equitable and fair measure of retirement security within the civil service retirement system, based upon their services which directly benefited the Federal Government. These individuals, now civil servants nearing retirement, deserve this credit for the period they worked in civil service-type jobs and were employees in the "private" sector in name only.●

U.S. FLAGSHIP FAIR COMPETITION TAX ACT

HON. JOHN B. BREAU

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BREAU. Mr. Speaker, today I have introduced legislation, cosponsored by my colleague, Congressman JACK KEMP and other Members who are all vitally concerned about the present state of the U.S. merchant vessel fleet. Our bill, similar to H.R. 2456 which was earlier introduced by Congressman KEMP and cosponsored by myself and several supporters of the new bill, attempts to put U.S. vessel owners on an equal tax footing with many of their foreign competitors.

Mr. Speaker, the sad plight of our merchant fleet is no surprise to those of us who have witnessed the erosion of U.S. superiority in merchant affairs. For example:

In 1950, our fleet ranked first in total capacity, with over 3,500 U.S.-flag oceangoing vessels. In 1980, that ranking had slipped to seventh and our fleet had declined to only 578 active vessels;

The number of seafaring jobs in U.S. oceangoing commercial vessels has dropped from a high of 54,000 as late as 1966 to just 19,385 in 1980;

The U.S. merchant fleet now carries less than 5 percent of our total import-export trade and less than 2 percent of our dry-bulk trade; and

As late as 1970, the number of U.S. liner companies totaled 19. In 1981, we only have nine such companies headquartered in the United States.

These are just a few of the sad statistics that readily demonstrate the

depressed nature of both the U.S. merchant vessel fleet and the equally vital shipbuilding industry. The key question becomes why this state of affairs has come to exist and what can we in the Congress do about it?

Mr. Speaker, my colleagues and I who have cosponsored this legislation believe that the answer to these questions is evident from an examination and comparison of the vessel depreciation rules of our major foreign trading partners with those currently existing in the United States. In the United Kingdom, for example, the total first year's depreciation writeoff is 100 percent; in Japan, 59.3 percent; in Sweden and Denmark, 51 percent; and in West Germany, 45 percent. Several other nations allow over one-third of the vessel cost to be depreciated in the first year. By comparison, the United States allows only 13.8 percent of the vessel cost to be depreciated during the first year it is in service.

Our new legislation is intended to remedy this inequity and to provide clear incentives not only for the construction of U.S.-flag merchant vessels, but incentives for the construction of such vessels in U.S. shipyards as well. The principal features of the new legislation will:

First, allow a 1-year writeoff for American-built, U.S.-flag vessels and a 5-year writeoff for foreign-built, U.S.-flag vessels. Our original bill, H.R. 2456, did not provide a 1-year writeoff for American-built vessels. We felt that this did not provide adequate incentives to construct our vessels in U.S. shipyards;

Second, in a manner similar to the administration's H.R. 2400 and our H.R. 2456—provides flexibility as to the timing of the deduction. In recognition of the cyclical nature of the international maritime industry, the bill provides a more flexible method for the carryover of depreciation benefits to later years;

Third, permit the benefit of the new, competitive depreciation rules to take effect sooner than proposed by the administration in H.R. 2400. Without the phase-in period, the new schedules would come into effect in 1981 and extend to the entire U.S.-flag fleet. Owners of existing vessels would not recompute taxes already paid, but could apply the new schedules to remaining basis and the value of additions to basis subsequent to the effective date of the provisions; and

Fourth, discourage the abuse of these provisions by imposing a recapture penalty on any taxpayer that transfers a U.S.-flag vessel that has used the new depreciation rules to a foreign registry.

Mr. Speaker, in conclusion I believe that this bill is necessary, effective and consistent with the new tax policies emerging from this Congress. I hope that many more of our col-

leagues will join us in sponsoring and working for the enactment of this legislation.●

U.S. FLAGSHIP FAIR COMPETITION ACT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KEMP. Mr. Speaker, today, I have joined with Congressman JOHN B. BREAU and 28 of our colleagues to reintroduce the U.S. Flagship Fair Competition Act. Our bill is very similar to H.R. 2456—which I introduced earlier this year—but with some important differences. The new bill will provide an additional incentive for ship construction in the United States. Specifically, it will allow a 1-year writeoff for American-built, U.S. flagships and a 5-year writeoff for foreign-built, U.S. flagships. Our intent is still the same—to encourage the construction of U.S. flagships and to provide an impetus to build those ships in the United States.

Three decades ago, the United States was the most powerful nation in the history of the world. Today, the 500-odd oceangoing vessels flying our flag carry less than 5 percent of our commerce. That means 95 percent of U.S. trade is carried by ships of other countries, whose availability in time of crisis is uncertain at best.

Though many factors have contributed to this dangerous decline in our maritime industry, U.S. Federal tax policy certainly played a major role. The governments of most maritime nations provide substantial incentives for shipping, and one of the most effective they receive is rapidly accelerated depreciation. Great Britain allows a 1-year writeoff, Sweden allows a 5-year writeoff, and Germany allows its shipbuilders to write off almost half in the first year alone. But in the United States the current depreciation rate for U.S. ships is 14½ years. Without the capital to put into new ships, U.S. shipbuilding is caught in a severe slide.

This decline in U.S. shipbuilding capacity and in the number of U.S. flagships has cost us thousands of jobs as well as the security—both military and economic—that a sound merchant marine insures. Over one-half of the members of the International Longshoremen's Association in Buffalo today are either unemployed or working part time at jobs that are not maritime related. In New York State, 1962 was the last year the ILA accepted new union members. For 18 years, no new longshoremen jobs have been created in New York.

If the United States is to survive as a secure and prosperous nation, we must develop and undertake a maritime

policy that will reestablish the U.S. flag commercial fleet as an effective economic instrument capable of supporting U.S. interests abroad. A sound merchant marine is essential for world security, for our domestic economy, and for the future of thousands of American workers nationwide. The U.S. Flagship Fair Competition Act is an important step in our program of recovery for the U.S. shipping industry.●

BENEFITS OF PRIVATE EDUCATION

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. RUDD. Mr. Speaker, I have on previous occasions expressed my support for tuition tax credits for parents who choose to send their children to nonpublic schools. A related matter that is of increasing concern to me is the inability of our public educational institutions to provide the needed discipline and basic curriculum that is of paramount value in our society's desire to achieve optimum educational standards. Study after study have indicated that nonpublic schools are doing a far better job of accomplishing this goal than the public institutions, which received billions of dollars of our tax support.

The following article suggests ways in which the public school system can learn from the successes of the private institutions, which spend about \$1,000 less per student than our tax-supported schools. The article, written by Phoenix Gazette columnist Marcia Sielaff, quotes data figures run by the National Center of Education Statistics on high school sophomores and seniors, and accomplished studies by James Coleman and Andrew Greeley. These two distinguished educators and authors both laud the success of the private schools' academic achievements.

I insert the May 19, 1981, editorial written by Marcia Sielaff at this point in the RECORD:

CATHOLIC SCHOOLS ADD TO SUPERIORITY OF PRIVATE EDUCATION (By Marcia Sielaff)

Public school officials are unhappy about a study by James Coleman that shows the academic superiority of private and parochial high schools. They would be more unhappy if a study of Catholic High Schools were as widely publicized as the Coleman report.

Both reports analyzed data from a National Center of Education Statistics' study of high school sophomores and seniors. Andrew Greeley, author of "Minority Students in Catholic Secondary Schools," concentrated on identifying the factors that contribute to superior achievement among minority students.

Coleman was not as concerned with what makes some schools better than others as he was with finding ways to foster desegregation. Coleman believes that tuition tax credits and voucher plans will bring more minority students into private education. That private school students learn more was important to Coleman because it makes nonpublic education attractive to minority parents.

Coleman concludes that private schools are most successful with students of low socio-economic background, exactly the group that does so poorly in public schools. Among Coleman's other findings: Private schools have superior discipline; have higher academic standards, and require more homework.

He also notes that private schools accomplish their success with almost no federal funding and few special programs. Educators say the Coleman report is invalid because private schools enroll students of higher socio-economic status, can select their students and have fewer minorities.

Coleman verifies these differences though he points out that private school students come from a wide range of socio-economic groups. More public school students come from the lower end of the socio-economic scale while private schools have more students from higher income brackets.

He denies, however, that these differences fully account for the superior academic achievement of private school students. Greeley also concludes that differences in student background are not sufficient to explain the differences in academic achievement.

Minority students from the same socio-economic groups achieved significantly more in Catholic schools than in public schools. Most significant of all: Differences in academic performance between high and low socio-economic groups are virtually eliminated by the senior year of Catholic school. Greeley attributes this unusual research finding to superior academic instruction in Catholic high schools.

Greeley compared Catholic with public schools and concentrated on the achievement of minority students. He found that regardless of racial and ethnic differences all Catholic school students are expected to do the same amount of homework, write the same number of papers and complete the same course work.

Coleman compared both Catholic and other private schools with public schools. Both researchers verify that private and parochial school students take more academic course work and have fewer electives from which to choose.

Despite greater discipline in Catholic schools, more than three-quarters of Catholic school students said that disciplinary policies were excellent or good as compared to less than half the students in public schools. Non-public school students also indicated greater self-esteem and felt more in control of their lives. Coleman suggests that academic achievement fosters the growth of self-esteem and leadership qualities.

Greeley recommends more research into what kinds of teaching correlate with superior academic achievement. He has little hope that it will occur, suggesting that research that casts doubt on public education is unlikely to find favor with public school educators.

A study of elementary schools would appear to have even more merit than Greeley's recommendation for more research at the high school level. The similarity of ele-

mentary school curriculum would make it easier to compare teaching methods and instructional programs in public and private schools.

High school students come from both public and private elementary schools and their achievement is influenced by their elementary school experience. The variation in courses in high school also complicates comparisons.

Even Albert Shanker, president of the American Federation of Teachers and one of Coleman's most outspoken critics, admits that public schools should emulate private schools. Shanker said, "I believe that there are three major areas in which public schools need change, and if these changes were made, the attraction of private school education would be greatly diminished. The areas are: (1) safety and order in the school and in the classroom, (2) increased pressure for achievement and maintenance of high academic standards, and (3) the teaching of commonly held values."

Public school educators might discover that some expenditures don't contribute to improved educational outcomes. Public schools cost approximately \$1,000 more per pupil than do Catholic schools but only about \$200 of that can be attributed to the fact that Catholic school teachers (and other private school teachers) are paid less than public school teachers.

There are one and a half times as many students per staff member in Catholic schools than in public schools and Catholic school class sizes are larger. Catholic school teachers are also less likely to hold advanced degrees and they have an absentee rate of half that of public school teachers.

With all the millions of taxpayers' dollars spent on public schools it is perhaps embarrassing to admit that public education would be improved by studying the methods of other schools that do so well with so much less.

Embarrassing or not, if such research will help, public school officials should be the first to recommend it. Their present posture of defensive anger will do nothing to improve education.●

LaFALCE DISTRICT GROWS BY ONE

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NOWAK. Mr. Speaker, a page 1 headline in the Buffalo Evening News in my hometown of Buffalo, N.Y., Wednesday, June 3, read: "LaFalce District Grows by 1."

The News' report stated:

Rep. John J. LaFalce's constituency increased by one early this morning and the Congressman couldn't be happier about it.

Patricia LaFalce gave birth to the couple's first child, a son, at Children's Hospital at 2:31 a.m. Martin John LaFalce measured in at 21 inches, weighed 7 pounds 15 ounces at birth and has curly dark hair. Both mother and son, the hospital says, are doing fine—and dad, according to his local staff, isn't feeling so badly either.

Mr. Speaker, it is a pleasure for me to bring such a good news item to the attention of my colleagues, who I am

sure join in congratulating the LaFalce family and extending our best wishes.●

SMALL BUSINESS BILL OF RIGHTS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. ANDERSON. Mr. Speaker, much has been said in this Chamber about what action needs to be taken to get our country back on sound economic footing. Much has been said about big labor and big business. And certainly a day does not go by when someone does not rise to speak to the evil of big government. The forgotten one in this wrangle has been the individual entrepreneur who is by far the most important element of our free enterprise system.

I commend to my colleagues Jack Anderson's column in the Washington Post of May 29, 1981:

NEEDED: A SMALL BUSINESS BILL OF RIGHTS
(By Jack Anderson)

Before the first asphalt went down on Wall Street, a love affair began to blossom between Big Government and Big Business. Yet the nation would be better served if the government would listen to the entreaties of a worthier suitor: the individual entrepreneur who has historically been the backbone of the free enterprise system.

In the best American tradition of worshipping financial success, many officials of the Reagan administration have made it their first priority to attend to the needs of the corporate giants.

The American small businessman, meanwhile, could become an endangered species. He is reeling from the after-blast of skyrocketing inflation and interest rates while being battered by abusive tax laws and government regulations.

What small businessmen need is a Bill of Rights that will give them a fighting chance to coexist with the big guys. Here, then, is my own suggestion for a Small Business Bill of Rights:

Right to Compete: Individual initiative and enterprise must be encouraged, not discouraged. Anti-trust laws may need to be tightened to keep the big boys from selling below cost to drive smaller competitors out of business. Given half a chance, the pioneer traits of risk-taking and Yankee ingenuity will rise again.

Right to Be Heard: There are 14 million small and independent businesses in the United States, which employ 58 percent of all private-sector jobs and support 100 million people. Yet their voices are a barely audible whisper in the halls of Congress, compared to the cacophony of Big Business and Big Labor lobbyists.

Right to Inherit: One of the strongest motivations for starting a business is the hope that it can be passed on from one generation to the next. But estate and gift taxes have reached a confiscatory level that threatens the survival of family businesses and promotes sellouts to conglomerates.

Right to Reasonable Regulation: Many a beleaguered small business man spends

EXTENSIONS OF REMARKS

most of his time filling out government forms and complying with government regulations. The thousands of regulatory laws are written with Big Business in mind; it's unreasonable to expect General Motors and Mike's Garage to meet the same government standards and reporting requirements.

Right to Fair Taxation: The tax laws are full of loopholes that favor the big corporations. The small businessman who files as an individual or partnership is socked with double taxation of dividends and inadequate investment tax credits. If he manages to show a profit or break even in spite of these handicaps, inflation alone will push him into a higher tax bracket.

Right to Affordable Wage Scales: Though organized labor will raise howls of protest, it makes sense to give small businesses relief from minimum wage regulations. Workers will be better off if small firms are free to create new jobs.

Right to Equal Interest Rates: Discrimination against small business borrowers must stop. Bankers justify charging small businesses two or more points above the so-called prime rate, while giving big borrowers rates three or four points below the prime. The argument is that the little guys are bigger risks. But small businesses have no monopoly on failure—as Lockheed and Chrysler have demonstrated.

Right to Government Contracts: The record shows that small businesses are 24 times more efficient in creating new products and technologies. Yet only a paltry 3.4 percent of the federal government's contracts for research and development go to small companies. All told, they manage to get only about 20 percent of government contracts.

Small can be beautiful. But if America's small businesses aren't given a chance to survive, future generations may never be able to see just how beautiful they were.●

COMMEMORATION OF DANISH CONSTITUTION DAY, JUNE 5

HON. JAMES L. NELLIGAN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NELLIGAN. Mr. Speaker, I rise to commemorate one of the most important days in Danish political history, Constitution Day, which is celebrated each year on June 5.

For those who may not be familiar with Danish history, let me briefly recount what Constitution Day means to the Danish people. Until 1849, the Danish monarchy was autocratic in form. On June 5, 1849, the national assembly ratified the first national constitution which incorporated the principles of separation of powers, and representative government. The powers of the monarch were greatly reduced. Whereas previously all power had emanated from the King or Queen, under the June Constitution, all power rested in the Danish people.

June 5 has subsequently become an important symbolic date in Denmark. On June 5, 1915, the Constitution was amended to allow women and servants to vote, and to lower the voting age in

Denmark to 25. Further constitutional amendments on June 5, 1953, extended the authority of the democratically elected Parliament.

In short, June 5 has come to symbolize the extension of democratic principles in Denmark. I salute the Danes, and their descendants in Pennsylvania's 11th District and across our Nation, on this, their national holiday.●

HANDGUN LEGISLATION

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDWARDS of California. Mr. Speaker, on May 29, 1981, the Washington Post published an editorial that advocated a movement toward compromise on the divisive issue of handgun legislation. It followed a statement by Mr. RODINO in the May 21, 1981, CONGRESSIONAL RECORD that expressed similar sentiments, and the editorial quoted quite extensively from that statement. The editorial "High Noon vs. Middle Ground," follows:

HIGH NOON VS. MIDDLE GROUND

Maybe—just maybe—reason and accommodation could creep into the debate over what, if anything, this country should do about the gunning down of its citizens. If legitimate gun owners could believe that this effort is not the start of total disarmament of every household in America, and if the larger number of people who support stronger legislative protections against handgun abuses could acknowledge the concerns of sportsmen, hunters and gun collectors, there is room for some reason—and for a moderate legislative attempt to curb criminal handgun violence.

Such movement toward compromise is not likely to begin with any of the groups whose high-noon showdowns tend to send politically jittery members of Congress ducking under the window sills and tables. But just in the last few days, some serious rethinking about the issue, and about possible compromise measures, has been coming from interesting corners. Bob Hope, longtime friend of President Reagan and hardly a gun control zealot, says the shooting of Mr. Reagan points up the desirability of some firearms registration that might assist in tracing weapons used in such shootings. Columnist James Kilpatrick also has suggested that some compromise legislation could be shaped and enacted this year.

Last week in the House, Rep. Peter W. Rodino Jr. (D-N.J.) also made a significant plea for a reasoned approach to make Americans safer on their streets and in their homes. Citing a moderate measure that he and 50 co-sponsors have introduced, Mr. Rodino noted that it would cost little in dollars "and nothing in terms of liberties." The legislation he seeks, like a companion bill introduced in the Senate by Edward M. Kennedy (D-Mass.), would not outlaw handguns; it would not even require registration or licensing; and it would not disarm citizens who "believe they have a right and a necessity to have a handgun for protection."

What the bill would do is "tell handgun owners that, if they commit a crime with a handgun, they will lose their freedom. And it would make it more difficult and expensive for a criminal to get a handgun." The bill would 1) provide mandatory minimum sentences for anyone using or carrying a gun in the commission of a felony; 2) totally ban Saturday night specials, those cheap, concealable guns that no serious hunters or collectors care for, and that account for about 10 percent of the 2 million handguns assembled in the United States each year; 3) require a 21-day waiting period before the purchase of any other kind of handgun; and 4) ban the sale of handguns by pawnbrokers, control multiple purchases and require better record-keeping of sales, thefts and losses.

Don't these steps make sense? As Mr. Rodino says, "I do not believe that sportsmen, hunters and gun collectors are unyielding foes of handgun legislation. They are good and reasonable citizens. I understand the culture and heritage that make their guns their most prized possessions. I would join in opposing any effort to separate them from their guns. But can any of us oppose a law that would make it harder for the criminal, the sick, the would-be assassin to get a handgun?"

MARINE MAMMAL PROTECTION ACT AUTHORIZATION

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FORSYTHE. Mr. Speaker, on May 13, 1981, the Committee on Merchant Marine and Fisheries ordered reported H.R. 2948 which extended the authorization for the Marine Mammal Protection Act for 1 year. Although the hearing record of April 7 established that there are several problems involving the implementation of the act which may necessitate substantive amendments, the existing authorization expires on September 31, 1981, and under the House rules, it is necessary to report all fiscal year 1982 authorization bills by May 15, 1981. Consequently, the committee did not have the time necessary to bring all the interested parties together to reach agreement as to what amendments to the act are necessary and appropriate.

Two of the many issues which need to be addressed concern tuna/porpoise conflicts and the cumbersome procedures by which marine mammal management is transferred to the States. As a result of informal meetings between the interested parties, a great deal of progress has been made on tuna-porpoise issues, but there is still nothing concrete. Unfortunately, less progress has been made on the issues involving the return of management to the several interested States. This problem area needs resolution because of situations like that in Alaska where management of such species as walrus and polar bears is virtually ignored

since neither the Federal Government nor the State is managing marine mammals. The additional pressure of a 1-year authorization should help to bring about an agreement between the parties which can be formalized through amendments to the act. When legislative language is agreed to, then would be the time to seek a longer authorization.

Erroneously, some individuals have contended that anyone who supports a 1-year versus a 3-year authorization of the Marine Mammal Protection Act is indicating their support for doing away with all protection for marine mammals. This is simply not true. I have been a longtime supporter of the Marine Mammal Protection Act and any measures which will insure healthy marine mammal populations. However, if the act designed to protect these populations cannot be implemented as Congress intended, then it is time to hold hearings to address these problems in a responsible manner and to attain agreement from all concerned parties.

I am committed to the continuation of the Marine Mammal Protection Act but believe that we should investigate proposals which may make the act a more effective means of conserving marine mammals.

THANKSGIVING FOR THE PROVIDENCE OF GOD

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. YATRON. Mr. Speaker, I rise today to pay tribute to Msgr. John E. Boyle, who on Sunday, May 31, celebrated his 50th anniversary in the priesthood.

It is indeed fitting that Monsignor Boyle's achievements should be noted and honored in the U.S. Congress. I wish to echo the sentiments of all those from St. Patrick's Church in Pottsville, Pa., who joined together to pay tribute to this outstanding clergyman. I know that all my colleagues will join me in wishing Monsignor Boyle the very best success in the future. The Sixth District of Pennsylvania is indeed most fortunate to count Monsignor Boyle as one of its most distinguished spiritual leaders.

I offer the following article which appeared in the Pottsville Republican on May 30, 1981, for my colleagues' attention on the many achievements of Monsignor Boyle:

THANKSGIVING FOR THE PROVIDENCE OF GOD
AS MONSIGNOR BOYLE MARKS "FASTER THAN
FAST" 50 YEARS SERVING CHURCH

(By Stephanie Waite)

"Dominus Providebit," or, "The Lord Will Provide," is more than the theme of this weekend's jubilee at St. Patrick Church,

celebrating Monsignor John E. Boyle's 50th year in the priesthood.

The motto also has a special meaning for Monsignor Boyle on his anniversary. "The Lord has done a beautiful job providing for me in these 50 years," he says. "The theme is thanksgiving for 50 years of the providence of God."

The 50 years have sped by "faster than fast," Monsignor Boyle says. "I can't believe it's actually happening."

Before coming pastor of St. Patrick, Monsignor Boyle worked in various positions within the church. He was an assistant pastor at St. Mary Parish, Saint Clair, and St. Margaret Parish, Narberth, and taught at the Roman Catholic High School, Philadelphia, for four years.

From 1939-53, Monsignor Boyle served as archdiocesan director of the Society for the Propagation of the Faith, in Philadelphia. There, he raised funds for mission work traveling to different parishes to talk about missions.

In March 1953, he became pastor of St. Patrick. Of all his years in the priesthood, Monsignor Boyle says, "those 28 years (as pastor of St. Patrick) have been the reward."

He says he has been especially gratified by the cooperation he has received from people in the parish and in the community. "The cooperation we have had is physically evident here in Pottsville," he said, citing the renovation and remodeling of St. Patrick and the construction of Nativity BVM High School, both of which took place under his direction.

"The ecumenical spirit in the community as beautifully demonstrated when we had permission to use the former Presbyterian Church on Fifth Street while our church was being renovated," he says. The triple Gothic chair now at St. Patrick was donated by the Presbyterian Church. "I would pay very special tribute to the Rev. Elmer Davis, who encouraged the trustees of his church to give the chair to us."

He proudly remarks that his parish is the mother parish of Schuylkill and Carbon counties and ranks third, in order of foundation, among the Allentown Diocese churches. Founded in 1827, St. Patrick is preceded in that respect only by St. Peter's Church in Reading and Blessed Sacrament Church in Bally.

In his 28 years at St. Patrick, the biggest change Monsignor Boyle has seen is a decrease in the number of parishioners. "When I came in 1953, there were 1,800 families in our parish; now there are 1,625."

"It's been particularly noticeable in the past few years." He cites the death of older people and departure of young people to other areas of the country as reasons for the decline.

"The young people are sentimental, they come back to be married, but other than that they don't stay," he says.

In the Catholic Church as a whole, probably the biggest changes Monsignor Boyle has seen during his 50-year tenure were those wrought by the Second Vatican Council.

"This did not come easy, but it has been accepted," he says. "Even older people very set in their traditions have bowed to the will of the church. It's a tribute to the older people that they were obedient despite their traditions."

Among the changes were that Mass was no longer said in Latin, methods of administering rites were updated, and participation by the congregation in Mass was increased.

Looking at his church from before Vatican II to now, Monsignor Boyle says, "It doesn't seem like the same place."

Along with all the rewards of his 50 years, there have been "momentary disappointments," he says, "but they always seemed to be surmountable. You look at things and say, 'this is the way the Lord wants it, and I'm sure he'll bring the best out of it. We're doing the work of the Lord and have to work through him.'"

Looking towards the future, Monsignor Boyle says again that the Lord has provided for him. "The Lord has given me excellent health and I will go on as long as the bishop allows."

He adds, "I see a great future for the church (as a whole). We've reached what people might call a low ebb, but it's on its way back now, demonstrated by the return to faith by young people."

All in all, his 50 years in the priesthood "have given me a great deal of pleasure," Monsignor Boyle said. "I would be delighted to do it over again."●

WATER MANAGEMENT MEANS BETTER PROFITS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, I have introduced H.R. 2606, the Water Pricing Reform Act, which would increase the efficient use of Federal water resources by eliminating archaic price subsidies. Past studies have found that pricing based on the actual cost of delivery encourage conservation and more efficient water usage, while dramatically cutting billions of dollars in subsidies which are paid by taxpayers, utility users, and municipal and industrial water customers.

I want to bring to the attention of the House another study which concludes that the improved management which would result from water pricing reform would also produce higher profits for irrigators. This study, by Department of Agriculture economists Harry Ayer and Paul Hoyt, concluded that substantial amounts of water could be saved through better management, and that less water and a lower yield often means a higher profit.

The conclusions of this study should be of great interest to all members concerned about the adequacy of our water supplies, the future of agriculture, and the enormous and indefensible public subsidy enjoyed by a small number of irrigators at the expense of millions of taxpayers.

The article follows:

[From the *Irrigation Age*, March 1981]

WATER MANAGEMENT LEADS TO LARGER PROFITS

Many farmers in water-short areas may be able to make more money by pumping less water onto their crops.

The reason, said USDA economists Harry Ayer and Paul Hoyt, is that they're draining

away potential profits along with groundwater supplies when they irrigate their crops to get the highest possible yield.

According to the researchers, less water and a lower yield often mean a higher profit. After a certain amount of water is applied to any crop, a point is reached where any additional water results in an increasingly smaller improvement in yield per acre. That's the law of diminishing returns.

To maximize profits, a producer should apply water only until the costs associated with adding the last increment of water match the value of the extra yield gained through the added water application. Any irrigation beyond that level starts cutting into profits, even though it may result in a further improvement in yield.

Of course, the amount of irrigation offering maximum profits varies for different crops, soil types, climates, lift depths and prices of water, energy and crops.

The traditional practice of applying enough water to ensure maximum plant growth and yield developed when the farm price of water was very low. Under those circumstances, profits were at or near their maximum when yields were at their highest.

The custom has been encouraged by both private and public irrigation management services. However, the rapid rise in energy prices in recent years and evidence that certain groundwater aquifers are being depleted are changing the basic economics of water management in parts of the West.

Arizona, where the economists conducted much of their research, illustrates the possibility of cutting water use per acre while increasing farm profits. Like several of its neighbors, the state is using groundwater much faster than the water tables are being replenished.

Agriculture consumes more than 85% of the total water used in Arizona, but growing competition from industrial and residential use is putting increasing pressure on water supplies.

About half of the state's cropland is irrigated with groundwater, and nearly 60% of this acreage is pump irrigated from depths of 300 feet or more. As energy rates rise, the water is becoming more and more expensive to pump.

Irrigation costs typically account for almost a third of all farm operating expenses in pump areas. Annual electricity bills runs \$25,000 or more for medium size (500-acre) farms in many parts of the state.

In their study of several counties, Ayer and Hoyt found that at relatively low water prices of about 50 cents per acre inch (a typical cost for surface water), there was virtually no difference between the profit and yield maximizing levels of irrigation for Arizona cotton, wheat or sorghum. Much of Arizona farmland is irrigated with inexpensive surface water.

However, at water prices of \$2.50 per acre inch (the estimated cost for water pumped from Arizona depths), the maximum profit for all three crops at 1979 crop prices was reached with at least 4 fewer acre inches of water than the maximum yield level. Profits were also improved—many cotton farmers, for example, could have reaped an additional \$5 per acre.

At high water prices of \$5 per acre inch (for water pumped from a 600-foot depth), water savings were 8 or more acre inches. Profits were higher, too. In general, the researchers concluded that wherever water prices were medium to high, water applications could frequently be cut 6 acre inches

(one normal irrigation) or more on cotton, wheat and sorghum grown in a variety of soils under a wide range of crop prices.

The result: More than 144,000 acre feet of water a year could be saved in Arizona by reducing applications on the three crops to the maximum profit—rather than maximum yield—level. This represents only about 3% of total farm use of water in the state and it probably wouldn't be enough to avoid other conservation measures, but it's still a large amount relative to urban needs.

For example, that much water could satisfy all the municipal-industrial needs of Tucson—a city of nearly a half million—for about two years. At the same time, the 144,000 acre feet of water savings could add about 1 to 2% to producers' profits, even after accounting for about a 2% drop in crop yields.

The profit-maximizing approach to irrigation applies not only to Arizona, but also to other areas where farmers are drawing water from sources with high pump lifts (200 feet or more), where sprinkler systems rather than gravity flow systems are used to deliver water to the fields, or anywhere else where water costs are a major part of farm expenses. This includes parts of California, Texas, New Mexico, Idaho, Washington, Nevada, Colorado, Nebraska, Oklahoma and Kansas.

While the profit-maximizing approach alone can't meet all the needs for conservation, it has one big advantage: no major investment. Although greater management time and skill are necessary to adopt more efficient irrigation scheduling, it's one approach that doesn't require capital outlays—unlike lining irrigation canals or buying a more efficient irrigation system. So, why isn't this low-cost, profit-boosting approach to irrigation in wide use?

Along with resistance to change, a major reason is the risk associated with reducing water applications because so little is known about how crop yields respond when water is withheld at different stages of plant development in different areas. Ayer and Hoyt said.

Sometimes, farmers intentionally overirrigate in order to keep ahead of the plants' water requirements. This provides a margin of safety in case of an irrigation system breakdown or in case severe weather causes the crop to need more water than can be quickly provided. However, even with these risks, many farmers might be able to take advantage of the opportunity to both increase profits and conserve water if more information were available.

Most agronomic research has concentrated on the amount of water needed to obtain the highest yield. Ayer and Hoyt argue that the perspective should change from one of engineering efficiency where output is maximized to one of economic efficiency where profit is the priority.

They recommend that future experiments focus on how crop yields respond to stress so that public and private irrigation management specialists can advise producers on the levels and scheduling of irrigation that will provide the most profit.●

PERSONAL EXPLANATION

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MOORE. Mr. Speaker, I was unavoidably absent earlier today when the gentleman from Massachusetts (Mr. CONTE) offered a motion to the conference report to accompany H.R. 3512 making supplemental appropriations for the current fiscal year. His motion would impose regular reduction in force standards upon the National Oceanic and Atmospheric Administration. At the time of this vote on rollcall No. 61 I had been called to the White House to confer with the President on the direction of ongoing tax cut actions within the House Committee on Ways and Means on which I serve. Had I been present for the vote on the gentleman's motion, I would have voted for it.●

THE U.S. ARMY RESERVE

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. SKELTON. Mr. Speaker, it is virtually impossible for this country to maintain a strong defense posture without a firm commitment to the precepts of the total force concept. This is particularly true in the case of the Army because, as you know, our total force concept places a very heavy reliance on the wholesale integration of combat and support elements of the U.S. Army Reserve into the Active Army. In fact, in a wartime environment, did you know that the U.S. Army Reserve would provide 24 percent of all combat engineer battalions; 33 percent of all special forces units, 44 percent of all medical units; 68 percent of all light equipment maintenance companies; 100 percent of all training divisions and brigades; and 54 percent of all conventional ammunition companies?

I have not listed all the contributions that the Army Reserve would make to our war fighting effort; however, the examples convincingly demonstrate how much the American people are dependent on the Army Reserve as both a strong and visible component of our peacetime defense force and as a powerful and responsive element of our wartime defense machinery.

Today the U.S. Army Reserve consists of over 400,000 troops, with over 200,000 being provided by the Selected Reserve, and approximately 200,000 provided by the Individual Ready Reserve (IRR). The Selected Reserve component consists of troop units

such as infantry battalions, tank battalions, engineer bridge companies, artillery battalions, transportation battalions, maintenance battalions, and others. The IRR represents a pool of pretrained military manpower which could be utilized to fill out Active and Reserve units and as replacements for battlefield casualties.

In my judgment, reservists represent a clear reflection of the spirit and patriotism which are part of this great country's heritage. These young men and women are both citizens and soldiers, and they are frequently required to make personal sacrifices in order to support the difficult missions they have been assigned. In the words of Winston Churchill, the reservist is truly "twice the citizen."

In assessing the readiness of our U.S. Army Reserve, there are two pressing problems. The first of which is a critical shortage of about 250,000 personnel in the IRR. This shortage means that the required troops would not be available 90 days into a major conflict, and this fact calls into question the sustainability of our forces. In order to assist with this problem, last year the Congress authorized a \$600 reenlistment bonus for the IRR, and the fiscal year 1982 defense authorization bill would extend this authority until 1985.

An almost equally pressing problem, however, is the lack of sufficient and modern equipment. In the U.S. Army Reserve, only about 37 percent of the wartime dollar value of equipment is on hand, and much of the equipment on hand is deteriorating or obsolete. A recent study concluded that most units could maintain acceptable levels of training with 70 percent of their authorized equipment; however, 37 percent is clearly inadequate. Readiness has suffered and will continue to suffer, as long as insufficient equipment is provided to Selected Reserve units for the purpose of training. In order to modernize the force in fiscal year 1981, the Congress authorized \$25 million and this year the House Armed Services Committee is recommending authorizing additional funds to continue this much needed modernization program.

I strongly urge that the Congress support those Army Reserve requirements which are reflected in the fiscal year 1982 defense authorization bill; and I ask my colleagues to join me in supporting this important piece of legislation. Again, it has been an honor.●

PERSONAL EXPLANATION

HON. BILL NELSON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NELSON. Mr. Speaker, I was absent on June 2 due to official busi-

ness in my district and was not recorded on rollcalls 54 through 60. Had I been present I would have voted "yes" on each of these seven recorded votes.●

DEAF SEEK BETTER TV PROGRAMS

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BARNES. Mr. Speaker, one of the most frustrating problems facing the deaf community in the United States today is a lack of access to television programming, despite recent advances which make TV more easily accessible to deaf viewers. During the recent coverage of the shooting of the President, for example, and in time of other major news events, the deaf are excluded from this vital form of communication.

Mr. Speaker, I include in the RECORD a recent Washington Star article by Boris Weintraub which provides insight into the problems facing the deaf population in their use of television.

[From the Washington Star, Apr. 4, 1981]

DEAF BATTLE TO "HEAR" TV, TOO

(By Boris Weintraub)

A few weeks ago, one of the highlights of the CBS prime-time television schedule was a recent movie called "Voices," which centered around the love story of a young deaf woman.

There was one problem with the film as it was shown on television: because the film was neither subtitled nor "signed," its dialogue was unintelligible to deaf viewers.

When President Reagan was shot outside the Washington Hilton Hotel, deaf students at Gallaudet College gathered around their television sets in the same way as millions of hearing Americans did. But, until the college's TV studio was able to superimpose an inset of an interpreter signing the dispatches of TV reporters, the students were unable to understand what was going on.

Spokesmen for the deaf point to things like that as examples of their difficulties with TV. Since the medium has so much influence on modern American life, they say, they want a part in it. But, despite some exceptions and despite some technological innovations that can make TV more easily accessible to the deaf, the hearing-impaired population is largely excluded from using television.

But some of the deaf are speaking out, expressing their frustration with their inability to follow television as does the rest of American society. For their part, local TV stations point to the programming they do carry, either signed or captioned, and say that expansion of such programming is too expensive and unwarranted by the size of the deaf population.

"This is a point of real frustration," says Dr. Edward C. Merrill Jr., president of Gallaudet. "The deaf are told, on the one hand, that they should become part of the mainstream. But yet, they are denied access to

television, which would help put them there."

It is because of such attitudes that representatives of a number of organizations serving the deaf formed a new committee last month to work for better TV service for the hearing-impaired. The committee, called the Working Committee on TV Services, has become an official section of the National Association of the Deaf, said to be the nation's largest organization representing the deaf.

David Rosenbaum, a deaf television consultant at Gallaudet and one of the prime movers behind the new committee, has been politely battling with local stations for the last several months, attempting to get them to expand and improve their services to deaf viewers.

According to Rosenbaum, who conducted a nationwide survey, 22 stations in all parts of the nation offered some form of signed programming as of two months ago. But, he says, the situation changes rapidly; already, two of those stations have dropped their deaf-oriented programs.

Rosenbaum began his campaign last fall. At that time, WDVM-9 dropped its five-minute, early-morning "News Sign" program, eliminating a newscast in which Cynthia Saltzman, using the full screen, signed the news while an off-camera announcer read the same items for hearing viewers.

Meanwhile, WTTG-5, which previously included a five-minute midday "total communications news" segment on which deaf newsman Tim Medina spoke and signed the news simultaneously with the aid of slides and yellow captions, dropped that show. In its place, the station substituted a more typical newscast, placing Medina in an inset in the corner of the picture, which Rosenbaum contends is harder for deaf viewers to comprehend.

Rosenbaum and other deaf spokesmen complain that the new WTTG format is much more difficult for deaf viewers to follow, and that WDVM is not properly serving the deaf community now that it has canceled "News Sign."

Betty Endicott, news director at WDVM, says that her station now captions the last five minutes of its midday news, and also provides captions during a brief news update just before 10 a.m. She said that the station was providing its service for the deaf at a more convenient time than the earlier show, and that it had discussed its captioning efforts with representatives of the deaf community.

Rosenbaum and other deaf persons say that captioning is not as useful to the deaf as full signing because it uses conventional reading English, which, to the deaf, is a second language. Generally, they say, captions are written in a simple language that does not contain the complexities of signing. Endicott agrees that WDVM's captions are in simple language, and that this is because of the guidance from deaf consultants.

A WTTG spokesman points to the continuation of Medina's signing as an example of a "valuable service" his station was providing. "We've gotten many expressions of gratitude," he says, but adds that the station has no plans to expand its services to its hour-long 10 p.m. news show.

Rosenbaum says that many of the programs that are designed to serve the deaf come at inconvenient hours. He notes that the captioned ABC Evening News, which appears on public TV stations, is shown at 11:30 p.m.

A spokesman for WRC-4, asked to provide examples of programs accessible to non-

hearing viewers, came up with a list of several public affairs shows, almost all of which were scheduled to be shown at either 6 or 6:30 a.m. on Sundays. One exception is a program about health information, including information for the deaf, which is to be seen at 8:30 a.m. today.

Some special programs are made accessible to the deaf. Endicott says that WDVM provided a signed inset during Mayor Marion Barry's major address on the District's financial problems last year, for example.

The other Major commercial station in Washington, WJLA-7, carries no programs which are made available for deaf viewers. A spokesman quotes a station official as saying that TV is a medium designed for the mass audience, and that the time and cost needed to make programming accessible for this specialized audience is "prohibitive" for a local station.

Ironically, the complaints come at a time when technology, in the form of so-called closed captioning, has made it possible for more programs than ever to be enjoyed by the deaf—provided that the deaf viewer has the necessary equipment.

Closed captioning utilizes a normally unseen portion of the TV screen that viewers can see if they have a decoder marketed by Sears Roebuck and Co. The decoder sells for \$250 separately, \$100 when purchased as part of a TV set, and has been available for the last year. An estimated 32,000 decoders had been sold as of the beginning of 1981, a figure deaf spokesmen call disappointing.

Since the decoders sent on the market, the Northern Virginia-based National Captioning Institute has provided captions for 25 hours a week of programming shown on ABC, NBC and the Public Broadcasting Service. CBS programming is not captioned because that network believes that imminent technological breakthroughs in the delivery of textual information—teletext—will make the decoders obsolete.

Rosenbaum and others complain that CBS, which is developing its own teletext system, is waging a campaign against closed captioning. They wish that the network would, at the very least, stop fighting a technology which already is developed and valuable, following what Donna Chitwood, a Gallaudet College spokesman, calls "the bird-in-the-hand principle."

Other captioned programs have been provided for the last several years by the Captioning Center at public TV station WGBH in Boston, which has done the open captioning—visible on all sets—for the ABC Evening News and now is conducting closed-captioning experiments with a new public TV tennis instructional series hosted by Vic Braden.

But none of the captioning experiments has any bearing on news programs because captioning must be done well in advance of the broadcast. Nor do they have any bearing on the insensitivity involved on the part of television programmers who don't often take the needs of the deaf into account.

To those who don't understand the frustrations of deaf viewers, a TV technician at Gallaudet offers this two-pronged suggestion:

Turn down the sound on your television set.

Now try to follow what's going on.●

A TRIBUTE TO VERNE L. DAVIS

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. COELHO. Mr. Speaker, at this time, it gives me much pleasure to honor Mr. Verne L. Davis. Verne has served Merced County for 20 years and is being honored at a luncheon given by the Merced County Engineers.

In 1968 the Merced County Board of Supervisors created the Department of Public Works. Since its creation the Department has increased the efficiency and service to the people of Merced County tremendously. These accomplishments are a direct result of the leadership and guidance Verne has given as director of the department, a position he has held since its creation.

Verne has lived in California for over 50 years. He served in the Army in Alaska during World War II. Following the war he settled in Merced. He has worked his way up through many levels of service to the county. Employed first as a truckdriver, he moved to construction then to engineering where he was promoted rapidly to the position of road commissioner. This position he held until his selection as director of public works in 1968.

It is indeed a great pleasure to recognize my good friend and constituent, Verne Davis, for the outstanding leadership and service that he has given to the people of Merced County for the last 20 years.●

FATHER ROBERT J. CREGAN,
S.J., A SUPER MAN, A SUPER
JESUIT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KEMP. Mr. Speaker, I would like to call your attention to a piece written about a man whose love of God and dedication to helping young people have been an inspiration not only to the people of western New York, but to all those who meet this man.

For the past 7 years the reins of leadership at Canisius High School in Buffalo have been in the hands of Father Robert J. Cregan, S.J., as the rector-president of the school. During this time, through Father's many efforts and tireless work the school has had a renaissance of alumni involvement, a large growth in financial contributions, and a rise in student enrollment. Today, because of this rebirth and growth, Canisius is operating in

the black, and promising to continue providing western New Yorkers the opportunity to have their sons educated in the Jesuit tradition. In the 108-year history of Canisius High School, the role of rector-president has been filled by many outstanding men. Father Cregan would be the first to admit that following in the footsteps of past administrators like the late Father Vincent P. Mooney and others was quite an assignment. Yet, Father Cregan has done a spectacular job. Now, as he prepares to turn the reins of the rector-president over to his successor and move on to his new assignment, Father Cregan can be proud that, because of his work and leadership, the tradition of a Jesuit education at Canisius High School will be carried on in western New York.

It is indeed a fitting tribute to Father Cregan that the Canisius High School of today and tomorrow will serve as a living testament to the great gift of himself that Father has given to all of those who are a part of the Canisius family.

I therefore commend this article of May 10, 1981, to your attention.

[From the Buffalo News, May 10, 1981]

THE MAN BEHIND THE TURNAROUND AT
CANISIUS HIGH
(By Dave Ernst)

With its muscular gray stone work and 100 years of venerable tradition, Canisius High School a decade ago looked indestructible. Inside, though, many wondered if one of the area's oldest Catholic high schools could survive even another year, to say nothing of another 100. Disillusionment drove a few to question if the school was even worth trying to save.

Faculty morale was deteriorating as fast as the physical plant. Deficits became a yearly feature of the school's financial report. Attempts to modernize school policies had alumni shaking their heads in exasperation. Enrollment plummeted from 926 in 1967 to 681 just seven years later.

It was hardly the most congenial situation for the new rector-president to step into.

First impressions of the Rev. Robert J. Cregan, SJ, were of an ascetic-looking man, quiet—almost shy. He had never headed his own school before, and he didn't seem the type who would invigorate a student body, galvanize the faculty and wring big bucks from skeptical alumni through sheer force of personality.

But the new man had a way about him. He kept a neatly lettered note on his desk listing the birth dates of all of faculty and staff, a reminder to send cards. The death or illness of a member of the Canisius family always brought a visit from him. Relatives couldn't remember anything in particular he said, just that his appearance and manner were a powerful consolation.

The students, coaches and players began to notice him, wearing his black beret, at practically every athletic event. The teachers became used to the doughnuts he brought to the faculty room each Monday morning. The door to his imposing, wood-paneled office was literally and figuratively kept always open to them. Whenever it came time for a teacher to sign a new contract, Father Cregan invited him in for a talk.

This Father Cregan had more than a pleasing style, though. He had ideas and a firm belief that while the lilies of the field might flourish unattended under the gaze of a protective God, institutions like Canisius needed substantial nurturing from men.

Under his leadership, Gambit, the annual dinner and auction, became a mainstay of the fund-raising effort. Father-son work parties tackled Saturday maintenance projects. The alumni became more active. The student recruitment effort was reorganized, and a student walkathon began to produce a dependable \$25,000 annual addition to the school's income.

At the same time, external factors that had contributed to Canisius' plight a few years earlier were also changing. The social ferment that seemed to unsettle every institution faded. Some of the initiatives of Father Cregan's predecessors bore fruit. And the trend-setters in education decreed that rigorous disciplinary, academic and moral training were now in style.

Nonetheless, it's Father Cregan who's usually mentioned when friends of Canisius marvel at the school's turnaround in recent years. Father Cregan will leave Canisius next month after seven years as rector-president, one year longer than the usual term. The nearly unanimous judgment on his stewardship is that he is leaving the school immensely stronger than it was when he arrived.

Father Cregan had a good idea of what he was getting into when the Canisius trustees voted to bring him to Buffalo in 1974. He had been coordinator—a superintendent of sorts—of the eight Jesuit high schools in the New York Province for two years. He had a clear vision of what he wanted to do at Canisius. "I felt I had a talent for bringing people together, for making them feel appreciated and understood," he says.

"I saw the school as having suffered a lot from the tensions and alienations of the Vietnam War period. Financial problems were very much on people's minds. People were constantly wondering, 'Am I going to have a job?' or 'Do we want to send our kids here?'"

"I wanted to create a sense of shared responsibility—that if everyone does his part, we could succeed. I wanted to be around, listen, be open—and if not solve people's problems, at least be sympathetic. I think a lot of these things have worked. By getting a financial foothold, a lot of tensions have been eased. A lot was demanded of the faculty, but they've helped out quite willingly. And I think that's good for the students to see."

And, after all, it's what the students see practiced, more than the theology texts they study or the sermons they hear, that will mold character. No one involved in Catholic education can afford to lose sight of that, Father Cregan believes. Education researchers have toiled mightily in recent years to reaffirm the obvious—that the climate and tone of a school are set by the leader. And it seems no one has a bad word to say about Canisius' leadership over the past seven years.

Students and colleagues sometimes grope for words to describe Father Cregan. A private person, he's like a finely polished steel ball, perfectly symmetrical, without the idiosyncrasies, rough edges or quirks of personality biographers depend on to "humanize" their subjects. He's of medium height and build with a gentle voice and a mild manner. His only distinguishing physical features are a high forehead and black,

bushy eyebrows that contrast with his thinning white hair. Written testimonials gathered from the Canisius community by his secretary tend to read like excerpts from "Lives of the Saints." But while cynics may persist in believing they'll uncover a major personal flaw in anyone if only they look a little harder, Father Cregan's admirers are satisfied they've seen enough. One veteran teacher comments, "I don't know of any miracles he's performed, but I think he's as saintly as any Jesuit I've seen, and I've seen a lot of them."

A student's judgment is somewhat more mundane, but just as telling. "Come to think of it," he muses, "I guess Father Cregan's the only priest here we don't even have a nickname for."

Descriptions like "saintly" make Father Cregan understandably uncomfortable.

"I really don't see that as appropriate at all," he says. "If people like what you've done, they tend to overlook your failings. I have a short temper, for instance. I tend to blow up when things go wrong." But he admits he is very conscious of the image and example he and the other faculty members set for students. It was the example of one of Father Cregan's own teachers at the Jesuit high school he attended in his native New Jersey that made him decide to join the order.

"His name was York, and he taught us Latin and Greek. He was very funny, dynamic and loud—I'm certainly a different kind of person—but he dedicated himself to young people, and I wanted to be like him." After fifteen years of study and training, Father Cregan was ordained in 1967. He earned a master's degree in English at New York University to go along with his master's in divinity and then began teaching at Xavier High School in New York in 1969.

"I was drawn to work with high school-aged kids because of the experience I'd had," Father Cregan says. "And I think religious education is most important in the high-school years. There's a great deal of physical, mental and emotional growth going on. I think it's important then to have values against which kids can measure themselves. We can teach values, but it's the example we give that they remember."

"The big need boys have is to know they're respected, loved and cared for. When they lack respect and self confidence, that's when they get in trouble. But you can't just say it. You have to show it. I believe the way to keep people in the faith is through education. But you can't ram religion down people's throats. Here we try to create a situation in which kids see the faith in the best possible light, but the choice is their own."

Those were the goals Father Cregan brought to his new job, but necessity dictated that he give first priority to restoring Canisius to a sound financial position. Father Cregan believes closing Canisius was never seriously considered by the leadership of the Jesuit province. But the school's cumulative debt had topped a half-million dollars in 1974, and the spate of rumors about the school's future were debilitating by themselves.

He was inexperienced as a fund-raiser and somewhat ill-at-ease initially, friends recall. He would never be a glib salesman. But he came across as something better: a sincere and compelling apostle for the school and its mission, and a down-to-earth administrator who knew a school can't exist on novenas and old traditions.

Gambits I-VII have raised \$450,000. Project '80s is well on its way to achieving its goal of \$2.1 million. The tuition-aid fund for needy students was increased from \$85,000 last year to \$108,000 this year. In the school's own version of "workfare," each recipient now works on school maintenance or other projects one hour for every \$10 of aid.

Faculty salaries have risen to the point where they now compare well with those of all but a few of the public and private schools in the area. Despite an operating budget that has swelled from \$800,000 to \$1.4 million in just six years, the school is consistently ending up in the black.

"Fund-raising was not my preference in work," Father Cregan says. "But believing as I do in the good things the school does, I don't feel ashamed or guilty asking for money. Besides, I've had a lot of support. Father [Ronald] Sams, the development director, does all the legwork.

"He comes across as a very good priest who is doing this because it is God's work. You have to show you're working for youth as a whole. The risk is when a priest identified with an institution loses sight of the dimension of his priesthood and becomes just an administrator. That, I think, is what turns people off."

So Father Cregan watches to ensure the daily demands of running a school don't rob him of all time for visiting the sick, consoling families of the dead and involving himself in improving the spiritual life of the student body.

To make sure he doesn't lose contact with the classroom, where the real action is in a school, he teaches a senior English class. He is a meticulous instructor, translating with the trace of a Jersey accent each word of "Macbeth" into teenage-ese. "Hie thee hither," we would say, "Get yourself over here," or other more vulgar terms. And of Lady Macbeth and her husband, he says, "She has guts. He doesn't. She's saying, 'Come to me, baby, and I'll give you all the strength you need.'" At the end of every other phrase, he murmurs an unconscious "All right?" or "OK?"

Back in his office after class, he sinks into his chair and rummages through a surprising amount of desk-top clutter for pipe and matches. Piles of reports and files are flanked by small framed pictures of a Jesuit friend assigned to a mission in India and another Jesuit faculty member who recently died. Every knickknack and memento he has ever received seems to be displayed. Among the volumes in his bookshelf are "Designs for Fund Raising," "Father Culligan—Selfless Shepherd" and de Chardin's "Phenomenon of Man." He likes to read the Elizabethan and Romantic poets, especially John Donne, Keats and Wordsworth, as well as Dylan Thomas. He judges his own attempts at poetry "too stiff," though. He finds time for occasional dinners with friends, a walking tour of Toronto or a summer camping trip.

In his desk drawer are the beginnings of a short story. In eight years, he has churned out five pages. Hardly an Isaac Asimov. "There's a lot of problems with a job like this. I just don't find the time to do things I like to do," he says. "I wish we could have improved the school's financial position more than we did. I also think there's more to be done in promoting the spiritual growth of the students, in making them more aware of Christian social values."

At least in his new assignment studying at the Jesuit School of Theology in Cambridge, Massachusetts, the demands on his

time won't come from so many different directions. But he takes satisfaction in the results he sees from thousands of hours of raising money, recruiting students, counseling, pleading, explaining and listening. At a time when school enrollments generally are plunging, the Canisius freshman class—226 students—and the overall enrollment—713 students—are the largest in ten years.

"Catholic education is wanted and appreciated strongly in this area," Father Cregan says. "We try to hold up a torch that gives a light to people, shows them there's more to life than making money. So long as we do the job we claim we do and practice sound financial management, I think there is a real future for Catholic schools." ●

INTERNATIONAL TERRORISM

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. PHILIP M. CRANE. Mr. Speaker, the subject of international terrorism is as much a tragic reality as it is a recent object of growing concern both here and abroad. The Reagan administration has taken some positive steps to identify and combat the source of this worldwide scourge. In this regard, I would like to share with you some informative reflections on this subject which were brought to my attention by our former colleague from Michigan, Jack McDonald.

It is interesting to note the links between the Soviet Union and various terrorist organizations around the world. The Armenian terrorist organizations have claimed responsibility for the murder of 17 Turkish diplomats. They have also claimed responsibility for various bombings in Europe. They have now spread their activities to the United States. On October 12, bombs were exploded at the Turkish diplomatic missions in New York and Los Angeles.

I quote some excerpts from the Los Angeles Times of January 25, 1981, which illustrate the Marxists connections of these organizations:

BEIRUT.—It is one of the world's newest terrorist movements, and it may be the most efficient. Its members have murdered at least a dozen diplomats, or relatives of diplomats, in the last 6 years, and none of the assassins has ever been captured.

It operates in a dozen countries, including the United States, but the location of its headquarters is unknown, as are the names of its leaders.

It is the Secret Army for the Liberation of Armenia.

Led by hardened Marxists, its troops are mostly well-brought-up children from middle-class Armenian families in Lebanon, France and the United States. Their goal, shared with three smaller terrorist groups, is to force Turkey to surrender the eastern fifth of its territory to the descendants of the Armenians who once lived there—or, failing that, to the Soviet Union. Their method is killing Turkish diplomats.

In December alone, Armenian gunmen assassinated Sarik Ariyak, the Turkish Consul

General in Sydney, Australia, and his bodyguard, ambushed a Turkish diplomat in Rome who was saved by newly installed bulletproof glass in his car, and set off bombs in Madrid and Beirut.

Earlier this month, a Swiss court released Suzy Mahseredjian, 24, a Syrian-born Canoga Park woman accused of being affiliated with the Secret Army. She was arrested after an explosion in her Geneva hotel room last October. The Secret Army said Mahseredjian and a companion had been assembling a bomb, and it threatened to attack Swiss embassies around the world if the two were not set free.

There is an echo of the Palestinian terrorism of the early 1970's in the Armenians' methods and their rhetoric, and it is no coincidence. Palestinian and Armenian sources say the Secret Army has close relations with the Popular Front for the Liberation of Palestine, the Marxist group that pioneered the uses of international terrorism.

The PFLP trains them, supplies their guns and prints their posters, an Armenian scholar charges. The PFLP itself is bankrolled largely by Libya and the Soviet Union.

The Secret Army has borrowed more than its Soviet-model AK-47 rifles from the PFLP. "They have adopted the logic of Black September." The Palestinian terrorist offensive that culminated in the seizure and slaying of Israeli athletes at the Munich Olympics in 1972, said the scholar, who has met with Secret Army members several times.

Only once has the organization held a press conference, last year. Reporters were told to assemble in Beirut—and then were taken on a careening, circuitous ride to Sidon, 35 miles to the south. There, in a dank, nearly ruined building in the old city, they found five members of the Secret Army—all completely masked in black.

The organization has its critics in the Armenian community. Many Armenians have objected to its use of violence, but others admit they respect the terrorists for putting their beliefs in action. The Dashnak Party, recognizing that it is losing prestige and followers to the new leftists, has started its own terrorist group, the Justice Commandos of the Armenian Genocide, Armenian sources say. On occasion, in grisly competition, both have claimed responsibility for the same attack.

The Secret Army's pro-Soviet ideology also is controversial. The group regards Soviet Armenia as its legitimate homeland and favors enlarging the Soviet province with land "liberated" from Turkey.

The cases of terrorism mentioned in the Los Angeles Times article tend to put virtually all organized international terrorism under the same umbrella. International terrorism is an indivisible whole, drawing its resources from the Eastern bloc. ●

TRIBUTE TO ELIZABETH MAY DAVY, OF BIRMINGHAM, ALA.

HON. ALBERT LEE SMITH, JR.

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. SMITH of Alabama. Mr. Speaker, "Be aristocratic of mind and demo-

cratic of heart." These words guided the life of one of Birmingham, Ala.'s most beloved women: Elizabeth May Davey. Miss May dedicated her mind and her talents, in fact her entire being, to helping her community.

Her whole life, up until her recent demise, was rich with achievements. She was a successful businesswoman, working with one of Alabama's largest department stores. She served as chairman or president of some of Alabama's most respected organizations. Her proudest achievement, however, was the founding of Spastic Aid of Alabama; later to become known as United Cerebral Palsy of Greater Birmingham, Inc.

Elizabeth May began her work as director of Spastic Aid of Alabama in 1948 aided by only one secretary and using borrowed office equipment. In subsequent years she worked to provide therapeutic and special educational services for handicapped children and adults. Through these classes and the establishment of the permanent Cerebral Palsy Center in 1951, Miss May created an inspired organization which still serves to meet the unmet needs of members of the Birmingham community.

Miss May's dedication to serving humanity has been recognized by many. She was the recipient of the National Humanitarian Award of the United Cerebral Palsy Association, she was named Birmingham's Woman of the Year, and the city dedicated a day in her honor in 1975. Her numerous awards and participation in many varied civic and volunteer organizations are evidence of Elizabeth May's immense love for mankind and her greatness as an individual. It is in this way that the memory of this fine woman will live in the memory of the citizens of Birmingham forever.●

TRIBUTE TO DALE McOMBER

HON. RALPH REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. REGULA. Mr. Speaker, no one can claim to have had real experience with the Federal budget without encountering Dale McOmber or his name. For 30 years, Dale McOmber not only toiled to put budgets together, he made significant and long-lasting improvements in the budget process of the executive branch. These, in turn, have spilled over to the congressional budget process. Dale McOmber understood that budgeting is synonymous with planning, hence, good budgeting and good planning cannot be separated.

As a member of the Budget and Appropriations Committees, it was my good fortune to be familiar with Mr.

McOmber's dedicated public service. As a public servant, he set a standard of excellence that should be the goal of all Federal employees. As a tribute to his recent retirement, I am inserting the following article which appeared in the Wall Street Journal on Friday, May 22:

DALE McOMBER LOOKS BACKWARD AT THE BUDGET

(By Suzanne Garment)

"Dale McOmber? He's the George Smiley of domestic politics," said an official who had worked with him. "How nice," his wife laughed pleasantly on hearing such sentiments over the phone. "Right now he's a retired man out in his back yard planting petunias."

Mr. McOmber is indeed just retired after having spent 30 years making federal budgets, the last seven of those years as the Office of Management and Budget's highest civil servant. He reminisced in his suburban Virginia home this week about the history and prospects of the budget process, and did so with that knowledgeable, equable disposition for which OMB professionals have become famous.

Mr. McOmber received his Ph.D. in history and political science. He began budget-making in the Navy Department in 1951 and in 1957 moved over to the then-Bureau of the Budget, as a technician in the budget review division. This budget review division that Mr. McOmber eventually came to head is the place where most of the OMB staff's marching orders are actually prepared as each annual budget cycle rolls around.

Not surprisingly, he emerged from his career knowing better than anyone else what is changeless about the budget process. Most changeless of all is "the business of deadlines" that forms not only the budget document but the nature of all government operations. Most surprisingly changeless are the tradition of neutrality and "the culture in support of the presidency" that the organization has been able to maintain in tandem.

And most fascinating are the semi-permanent quirks of the various parts of the budget organization. "The defense examiners," Mr. McOmber said, as he laid out the organizational map, "were often the most frustrated. They can produce lots of objective data to show that big battleships—or aircraft carriers or subs—are worth it strategically." But all this rational knowledge would simply run up against a "stone wall of politics."

With social programs, "the politics of the matter were not so crass" but caused almost as much grief because of "their utter complication." In, say, the Carter administration, "Carter was always torn between the two wings of the party," between the conservatism the President himself favored and a "Mondale or Eizenstat saying, 'you absolutely need those supporters.'" Examiners did not feel wholly ignored; they were just mired in the quicksand like everyone else.

Foreign policy analysts had another problem: They were up against the politics of perception. "You could say 'Israel isn't really going to be helped by more money from us.'" But the argument would come right back at you that any economies in these areas would be seen as slights and provocations. And "these people in the international area," Mr. McOmber remarked drily, "in order to survive, have long had to have techniques to get to the President."

Over the years Mr. McOmber also got used to another semipermanent feature of the process: periodic alterations in the budgeting technique, changes usually billed as revolutionary, from the "program budgeting" concept of the early 1950s to zero-base budgeting in the late 1970s. Most of those revolutionary techniques did not wreak all that much change. "After a while," he put it delicately, "you tend to get skeptical."

Some things, though, had in fact been changing: "I like to think we capture," from the succession of new techniques, "those things that are helpful." "On the whole," Mr. McOmber judged, "the process probably has become more rational."

The changes of the past year or so had been even more marked. Mr. McOmber was not one to take all the Reagan administration's budget declarations at face value: "They're not going to be able to balance the budget in '84," he predicted, "unless they not only cut back hard on the entitlement programs but cut back on their commitments to defense." But the Stockman regime was something new: "I don't remember an administration that came in with a particular agenda such as Mr. Stockman's." This newly explicit direction, Mr. McOmber thought, plus the new teeth Congress has put into its budget resolution process, meant that we might actually see some more centralized control.

To this prospect Mr. McOmber reacted like a true OMB neutral, "Why do you think 'control' is so good?" he asked. "The budget is a democratic document in the broadest sense. People vote in multiple ways; if the people want control, they'll get it. This time it looks as if they want it. But we get what we ask for," he said.

In fact—he only just alluded to it—there was a certain danger to the organization in this new business of being at the very center of things. It was a danger "not of politicization in the abstract but a danger to the quality of work in the time available. For the moment, Stockman is using OMB as a large legislative staff. But we have to have the time to build intellectual capital."

When I left his house Mr. McOmber was going upstairs to pack for a trip out West to visit his offspring. It was raining benignly on his flower garden. He had left behind a budget organization whose neutral competence remains one of the signal achievements of modern American government. But he also left behind him the thought that this moment of OMB's greatest power may also turn out to be the time of greatest threat to its existing character.●

SUGAR INDUSTRY'S IMPORTANCE TO HAWAII

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. AKAKA. Mr. Speaker, a recent New York Times editorial called into question the proposal to provide Government price supports for sugar and suggested that the industry would be able to get along very well without them.

The Honolulu Star Bulletin has responded in editorial form to these charges, and I would like to include

this editorial for the information of my colleagues in the House. The sugar industry has long been the victim of many misconceptions. Primary among these is the belief that the sugar industry enjoys a huge profit margin. The truth is that although sugar producers were enjoying a profit earlier this year, that profit has decreased now to the point where the price farmers are receiving is below the cost of production. In fact, profits from the last year and one-half have hardly served to erase the losses producers had to bear during the years 1977-79.

If there is one world that characterizes the sugar market, that word is "volatile." The wild price swings in this market since 1974 have caused great uncertainty both among producers and consumers. I know that the sugar producer of this Nation would much prefer a stable market, one that guarantees a fair return to producers and a consistent and fair price to consumers.

The 19.6 cents loan level in the farm bill merely provides a floor under the sugar industry. This level is not meant to assure a profit for these producers, only to assure that the industry will not fall to the levels of the late 1970's. I commend this article to my colleagues and ask unanimous consent that it be included in the RECORD at this point.

SUGAR INDUSTRY'S IMPORTANCE TO HAWAII

A New York Times editorial reprinted yesterday on this page opposed government price supports for sugar producers as a favor to "a select few."

In Hawaii, the sugar industry is not "a select few." It is about 7,000 workers in what is by far our largest agricultural industry, with about 220,000 acres under cultivation. Once the dominant factor in Hawaii's economy, sugar is still very important.

It is also important to the environment, because it provides an economically sustainable way to keep large areas in agricultural production. If the sugar industry should collapse, there are no alternative crops in sight to take its place and keep that land in cultivation. The pressure to take the land out of agricultural use to build houses or factories might become irresistible.

The Times' confidence that the sugar producers can get along very well without supports has a hollow ring in Hawaii, where we have seen a whole series of once-profitable plantations close their doors forever. No one can be sure that more will not follow. The sugar workers aren't.

The future of the sugar industry in Hawaii is understandably of little concern in New York. But to us the fate of Hawaii sugar makes a great deal of difference. ●

TRIBUTE TO PRESTON LOVE

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. DAUB. Mr. Speaker, if there is one art form that is truly American, it

is jazz, and if there is one American who is truly devoted to this art form, it is Preston Love.

From the time he played lead alto saxophone in Count Basie's band to his current efforts to bring an understanding of jazz to his readers and students, Preston Love had dedicated himself to this American art form.

It was a pleasure to recently join him in celebrating his 60th birthday, and I would like to take this opportunity to share with my colleagues the comments about this respected gentleman made by Stanley Dance, jazz historian and author of "The World of Duke Ellington":

LOVE SIXTY

It is hard to believe that Preston Love will be 60 in April. I certainly don't choose to believe that anyone so perennially young in spirit can be anywhere near that age. But then I have to reflect, in my capacity as a would-be jazz historian, that nearly forty years ago he was touring the country as lead alto saxophone in Count Basie's band. Never having been to Omaha, I do not know whether the air or water there possesses miraculous properties, but something evidently invigorates or rejuvenates saxophone players.

I am, however, not much concerned really with the fact that Love continues to be an astonishingly fine musician, as esteemed in Europe as in his own land, and one whose standards may be considered all to exacting. What constantly impresses and surprises me is how he retains his enthusiasm and his sense of outrage. The latter, as the years pass, tends to give way to weary cynicism in so many writers and critics. We all know that standards in art, manufactured goods, and old-fashioned morality have declined—and continue to decline—since World War II. Nowhere has this been more apparent than in the decadent world of jazz, where the name of the game is HYPE, in capitals.

Preston Love is one of those who sees through the hype and resents its effects. He is not a politician. He is not cunning or devious. His sense of outrage compels him to speak out in the frankest terms, as when recently he was critical of the hysteria following the murder of John Lennon. Tragic though that was, the media seized upon it as an event to be magnified out of all proportion, far beyond, for example, the murder of a world figure like Lord Mountbatten. Had the President been murdered, more newsprint and television and radio could scarcely have been devoted to the subject. Lennon's murder, of course, occurred very conveniently for a record industry worried about impending Christmas sales. Some of the entrepreneurial class seemed to undergo a spiritual reaction, even seeing visions of Lennon in the sky during the prayer meeting in New York's Central Park.

The irony in all this was particularly apparent to Preston Love, who had seen highly talented jazz musicians, whom he knew and admired, die without any recognition remotely comparable to Lennon's, and without leaving as many dollars as the singer left millions. This was not entirely a matter of black versus white, but hype means money and more of it is nearly always spent promoting white than black. As one watched the old newsclips on TV, it was surely impossible not to wonder who decided to pour out the gold in support of

such a corny group as the Beatles always were.

Today, Preston Love is an educator both in his writing and on his saxophone. He tries to bring an understanding of the American art known as jazz to his readers and students. He doesn't play down to them, doesn't pander to adolescent tastes, but seeks to lift their musical appreciation to an adult level while maintaining a sense of humor and unwavering loyalty to first principles. A renaissance is always possible, and Preston Love is just the kind of man who can help bring it about in jazz.

PATRIOTIC SONGS

HON. ALLEN E. ERTEL

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. ERTEL. Mr. Speaker, the fifth and sixth graders of the Paxtang Elementary School in Harrisburg, Pa., have just completed a lesson on patriotism. The students learned the importance of patriotism to our country and its meaning to every citizen. In order to express their collective thoughts, the students have written the following words sung to the tune of "My Country 'Tis of Thee." I am pleased to share these words with you and point to the fact that patriotism is still alive within our youth:

PATRIOTIC SONGS

ROOM 201

Our country is so great,
That we should celebrate,
Our free country.
We hang our flag to thee,
We should sing liberty,
At last our 52 are free,
Let our flag fly free.

ROOM 202

Freedom and liberty,
Is what we want to see
In our country!
We fought to keep our land,
Now we will take our stand
That's why we sing of this,
This great country!

ROOM 203

Our flag flying so free,
This is our own country.
We fought for it.
Independent and free,
Quite a variety
It takes all kinds, like you and me,
To build our land.

ROOM 204

This land is liberty,
This land is good for me,
This land I love.
This land is beautiful,
This land is always free,
This land is kind to me,
This land I love. ●

AMENDMENTS TO THE FISHERMEN'S CONTINGENCY FUND ESTABLISHED BY TITLE IV OF THE 1978 OCS LANDS ACT AMENDMENTS

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BREAUX. Mr. Speaker, today I have reintroduced, with the cosponsorship of my good friend and colleague from Louisiana, Mr. TAUZIN, the ranking minority member of the Subcommittee on Fisheries and Wildlife Conservation and the Environment which I chair, Mr. FORSYTHE, and several other members dedicated to the promotion of the American fishing industry, amendments that I hope will insure the smooth operation of the existing Fishermen's Contingency Fund. While the legislation does not represent a new direction in congressional policy, it is a necessary bill, a bill intended to further the basic policy embodied in title IV of the 1978 Outer Continental Shelf Lands Act Amendments (OCSLA).

Mr. Speaker, in 1978 Congress considered and passed major amendments to the original OCSLA. One of the primary purposes of those amendments was to lay the groundwork for an aggressive, accelerated schedule of OCS leasing. I support that goal today as I did in 1978. At the same time, however, we recognized that the expansion of oil and gas activities would lead, inevitably, to conflicts between the offshore oil and gas industry and the commercial fishermen operating in various OCS regions. This is not to say that we expected insurmountable conflicts over the right of each industry to use coexistent shelf resources, but rather a realization that the relatively long-term presence of equipment necessary to the vital search for, and development of, OCS hydrocarbon resources could result in the damaging of fishing gear. We therefore created a general fund and several area accounts, fully established and funded by fees assessed against OCS oil and gas permits, right-of-way and lease holders. The moneys in such funds were to be available for the prompt payment of compensation to U.S. commercial fishermen for damage to fishing gear and associated economic losses resulting from an OCS related activity.

Unfortunately, Mr. Speaker, the scheme we established in 1978 has not performed as expected. Scores of claims have been filed, few reviewed, and even fewer actually paid. To date, many times the funds paid out have gone to pay administrative expenses incurred by the Department of Commerce in its implementation of the program. The process of filing a claim

has been overly burdensome, duplicative and, in most cases, proves to be a disincentive to the commercial fishermen to file a claim in the first instance. For example, testimony received by the Fisheries Subcommittee last year revealed a case where a claim was filed, a year passed, a Federal Government claims inspector appeared and demanded the production of the very same evidence earlier submitted. Several more months passed and still no claim paid out. Finally, after testimony before the subcommittee, in the presence of administration witnesses, the fishermen received the compensation so long overdue. I should point out that commercial fishermen are not the only parties seeking relief from the law now on the books. Department of Commerce personnel testified as recently as this past March that corrective actions were needed to smooth claim's procedures.

Mr. Speaker, it is my hope that the bill introduced today will provide the necessary relief. It is especially important that we correct the current situation given this administration's determination to fully utilize the authority we have granted them to aggressively pursue the exploration, development, and production of our OCS resources. The principal purposes of the new legislation are to:

First, insure that sufficient funds are available in the Fund and its selected area accounts to cover fishing gear damage and related claims made by commercial fishermen; and

Second, streamline the administrative process by which the validity of claims made are determined.

To accomplish these objectives, the bill makes the following major changes to existing law:

First, raises the maximum amount of funds that may be maintained in the general fund from \$1 million to \$2 million and in each individual area account from \$100,000 to \$200,000;

Second, stipulates that sums maintained in the fund not currently needed for the payment of claims shall be invested in interest bearing accounts. To the extent such interest is able to maintain the level of the fund and each area account, assessments against OCS lease and right-of-way holders shall be reduced;

Third, establishes a two-tier procedure for determining the validity of claims received. For claims of less than \$25,000, the Secretary of Commerce or his designee shall establish a simplified, informal claims review procedure. Secretarial decisions or claims must be made final not later than 120 days after they are filed.

For claims over \$25,000, the validation procedure remains the same as current law; and

Fourth, replaces the current administratively unwieldy formula for determining consequential damages with a

formula that parallels section 10 of the Fishermen's Protective Act (FPA, 22 U.S.C. 1980). That section provides gear compensation to U.S. fishermen for damages attributable to foreign fishing vessels operating in a fishery subject to U.S. jurisdiction under the FCMA. This provision has proven reliable and easy to administer. It also results in all U.S. fishermen being treated equally for the same type of harm.

Mr. Speaker, I believe this bill is both necessary and timely. I certainly believe that it will be noncontroversial. I plan to hold hearings on this legislation next week and mark it up soon thereafter. I hope that other colleagues in the House will cosponsor this legislation and help insure its speedy enactment.●

UNITED STATES DENIED SEAT ON UNITED NATIONS STATISTICAL COMMISSION

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDWARDS of Oklahoma. Mr. Speaker, recently the foreign operations subcommittee had the honor and privilege of welcoming the U.S. Ambassador to the United Nations, Dr. Jeane Kirkpatrick, for a discussion of U.S. participation in the United Nations. In the course of the discussion, a recent and disturbing event in the United Nations came to light. Ambassador Kirkpatrick confirmed that for the first time the United States was denied a seat on the United Nations Statistical Commission, a body which formulates guidelines for gathering statistical data used by other United Nations agencies.

By a longstanding tradition, permanent members of the Security Council are always represented on this Commission. In fact, the United States has always been routinely elected to all constituent bodies of the United Nations. But this year, by a secret vote in the Economic and Social Council, which was the voting body in this case, the United States was removed from membership on the Commission. As a result, the opportunity for the United States to contribute to and influence the work and policies of the Commission has been dramatically diminished.

Mr. Speaker, I am concerned that this may not be an isolated event, but may instead signify the beginning of a trend whereby some nations, which do not like our policies or share our democratic values, attempt to exclude the United States from other United Nations organizations. It should be noted that among the other commissions under the aegis of the Economic and Social Council is the Human Rights Commission.

In the course of expressing her own concern about this unprecedented event, Ambassador Kirkpatrick noted that the United States has become too inclined to defer automatically to the complaints and political-ideological agenda of other nations. In practice, such a tendency on the part of the United States results in our not calling sufficient attention to departures from traditionally accepted practices, breaches of rules, and unfounded attacks on America and its allies.

Ambassador Kirkpatrick has pledged vigilance in monitoring such behavior. She has stressed the need to articulate and vigorously defend this country's values in the United Nations. I am heartened by her energetic commitment to the promotion of American values and interests in the United Nations, but I also share Ambassador Kirkpatrick's concern about the episode with the Statistical Commission. I think it is important for my colleagues to be aware of this event and what it might portend. It is essential that the United States signal its awareness of the unprecedented nature of this event and its desire that it not be repeated.●

IT'S TIME FOR A SECRETARY OF INTERIOR FOR ALL THE PEOPLE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BROWN of California. Mr. Speaker, it is time to speak out against the attitudes and actions of James G. Watt, the Secretary of Interior. For those who earnestly wanted to give him the benefit of the doubt in his new job as chief steward of the Nation's conservation ethic and natural resource treasures, the past few months come as a bitter disappointment. For those who warned of the incompatibility of this man with this job, there is no vindication, only sorrow. For all who truly care about the land, the air, the water, the wildlife, and the future—there is an obligation to fight the destructive and irresponsible proposals of Secretary Watt and his associates.

This is not a partisan issue, unless one considers himself a partisan of the Earth, or the laws of the land designed to protect our natural heritage. Nor is this unusually strong opposition, which I and others now express, a result of a particular policy difference, although there have been many of those as well. I, for one, have had bitter policy disputes on particular issues with many Interior Secretaries, including Steward Udall, Wally Hickel, Rogers C. B. Morton, and Cecil Andrus. The difference, in this case, is that I never doubted that these men

supported the basic thrust of the body of laws they administered. Instead, our policy disputes were over interpretation of the law in particular instances, and where, although I knew my position to be unassailable, reasonable men differed.

The Los Angeles Times, truly a newspaper of the West, spoke out in an editorial this week for the removal of James Watt as Secretary of Interior. In describing his actions and motives, the Los Angeles Times admits there is some mystery, but added:

What emerges is a profile of a lawyer impatient with detail, having deep religious and economic convictions, who grew up among small-town Westerners who detest the decadent East and its control over so much of their land. There also emerges touches of the common hustler and high-prairies pirate.

Mr. Speaker, as one who has always considered the conservation ethic to be an important reason for this Nation's greatness, I have admired the Republican and Democratic leaders who have translated this ethic into effective legislation. Beginning with Theodore Roosevelt, the modern body of law has been created. It would be a travesty if, beginning with James Watt, 80 years of good work were destroyed.

I am encouraged that public support continues for these traditional values, and bipartisan support against the policies of James Watt is growing. As this necessary struggle continues, until a Secretary of Interior for all the people is appointed, we must not lose sight of our fundamental purpose—which is sound stewardship.

At this time, I insert the Los Angeles Times editorial:

[From the Los Angeles Times, June 3, 1981]

TOO MUCH WATTAGE

Interior Secretary James G. Watt runs his department as if there were no tomorrow. He is in the wrong place. The department's only missions are to manage public resources and protect fragile wilderness areas so that there will be some left for tomorrow's children.

Try as he may to force the locks on so much of America's protected lands, Watt is not likely to break the conservation ethic that put those areas under lock in the first place. But he could do a lot of damage and spoil vast reaches of the face of America in that time. He must be stopped.

Watt insists on leasing offshore oil tracts of dubious value. He tried recently to open the last 1.5 million acres of wilderness in the Rocky Mountain overthrust belt to oil companies that already have access to the other 10 million acres. Congress stopped that. Watt explains that he wants to look for oil and strategic minerals now so that the job can be done carefully and the West will not be trampled in a crisis. That is specious.

He has stopped buying new parkland, ignoring the prospect of a doubling of the U.S. population in 50 years and a predictable need for more space for recreation and leisure.

At the same time, he searches for ways to give away federal land and its minerals to states just for the asking—something that

he wants to do but cannot because of a Supreme Court decision.

Why Watt acts as he does is a mystery. Some very good writers have tried recently to unravel the mystery, including Elizabeth Drew of the New Yorker magazine and Robert A. Jones of The Times.

What emerges is a profile of a lawyer impatient with detail, having deep religious and economic convictions, who grew up among small-town Westerners who detest the decadent East and its control over so much of their land. There also emerge touches of the common hustler and high-prairies pirate. Considering how little wilderness is left for tomorrow, the combination is devastating.

Before going to Washington, Watt directed the Mountain States Legal Foundation, a law firm supported by mining and energy companies, big ranchers and land speculators whose interest lay in challenging federal control over the exploitation of public lands.

Those clients are the backbone of the so-called Sagebrush Rebellion. They want federal lands in the West turned back to the states to decide whether wilderness should be sacrificed to development. Those are the clients whose cases Watt now pleads from inside the government rather than outside. They are the people he had in mind when he told a recent Washington roundtable that he is focusing on "freedom and liberty for the individual who has been handcuffed in recent years by economic conditions and political constraints." The description cannot be bent enough to fit the average park visitor.

Watt promised Congress that he would not campaign for changes in conservation law, and he has kept the promise. He goes around the law.

He opposed strip-mining controls. So he fired or transferred more than 200 employees of the office controlling strip-mining. There are barely enough left to count strip mines, let alone regulate them.

He moved 50 lawyers from the department's legal office whose primary job was monitoring reported violations of environmental law. In California, he called for bids from oil companies on 32 offshore tracts, despite objections from the state government that the area is environmentally fragile and that there is not enough oil in those tracts to warrant a risk of coastal damage.

Watt permitted himself a friendly gesture toward environmentalists on Tuesday by agreeing with an Administration decision not to lift a Wild River designation that his predecessor gave to five scenic Northern California rivers. But the gesture was not consistent with his basic agenda.

The Sagebrush Rebels obviously are pleased at the way Watt is forcing open the gates to public land for them, but he is not doing either the Rebels or the President any favors.

The United States lives with deep regional animosities and grievances, many of them justified. Some regions have ample water, and others go dry. Some fairly ooze oil, and others import energy at a scalper's price.

By indulging his fellow Westerners in their lust for the riches on public land, Watt not only breaks faith with the conservation ethic, he also fans the flames of regional grievance.

Watt should be sent back to his legal foundation to plead the case for his clients from the outside again, where he belongs.●

CONGRATULATIONS TO JOSEPH PARIS

HON. HENRY J. NOWAK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. NOWAK. Mr. Speaker, this week marks the 40th year of Federal service for Joseph Paris, the director of the Veterans' Administration medical center in Buffalo, N.Y. It is with understandable pride that the VA is honoring him with its meritorious service award, and I join with this distinguished institution—and the many persons whose lives Joe Paris has enriched—in congratulating a truly exceptional senior executive on his record of service and devotion to the care of others.

Joe began his four decades of Federal service in the U.S. Army during World War II, serving more than 4 years in the 4th and 7th Armored divisions, attaining the rank of first lieutenant. He was awarded two Purple Hearts with Oak Leaf Clusters and the Silver Star.

His association with the Veterans' Administration began in 1945 as a contact officer in Rochester, N.Y. He later served in the positions of administrative assistant, Assistant Director, and Director of VA medical centers. He currently serves in a dual capacity as Director of the VAMC in Buffalo and as the District Director of Veterans' Administration Medical District 2.

As a chief executive, he has been characterized by his peers as outstanding in his utilization of systems orientation. As a medical district director, he has piloted a diversified array of health care facilities, ranging from primary care site to specialty hospitals, as well as university-affiliated health care complexes offering the full spectrum of educational research and clinical services.

Based on my dealings on veterans' matters with him for more than 6 years, I can attest to Joe Paris' compassionate and responsive efforts to provide the best possible service to thousands of veterans and their dependents in western New York.

Joe Paris is a fellow of the American College of Hospital Administrators, member of the Western New York Hospital Association, and member of the American Military Surgeons of the United States. He was a member of the board of directors, Council of Teaching Hospitals of the Association of American Medical Colleges, and frequently requested to chair and participate in executive policy sessions. His input at that level is also sought out by the New York Statewide Health Coordinating Council of the State health planning commission. Similarly, he has participated in such executive policy planning activities for the

National Forum on Hospitals and Health Affairs at Duke University.

In the entire health care system of the Veterans' Administration, only a few medical center directors have been recognized nationally for their accomplishment in the field of health care administration. Joe Paris was one of the first directors to achieve this recognition when he was awarded the status of fellow in the American College of Hospital Administrators.

Mr. Speaker, as his accomplishments clearly indicate, Joe Paris has demonstrated the highest quality of Government service, not only doing his job exceptionally well but serving as a tremendous source of inspiration for others.

I know I echo the sentiments of the citizens of western New York in commending Joe Paris for a job well done and wishing him well in his future endeavors. ●

ADMINISTRATION PLAN ENCOURAGES SWEATSHOPS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, Secretary of Labor Ray Donovan, in an action overwhelmingly opposed by the business and labor communities, has inexcusably announced his intention to revoke the 40-year-old prohibition against industrial homework in the garment industry and several other regulated industries.

Business and labor agreed, at a hearing on this subject held by the Labor Standards Subcommittee of which I am chairman, that revocation of the rule will undermine legitimate, law-abiding businesses, stimulate the proliferation of sweatshops, make enforcement of the Fair Labor Standards Act—a stated goal of Secretary Donovan—a practical impossibility, and encourage the employment of illegal alien workers.

There is a virtually no support for this proposal, as described in a recent article in the New Republic which I want to share with my colleagues. The overwhelming opposition to the Secretary's unwise action, which is described in the article, has only become even more magnified in the intervening weeks. Secretary Donovan should acknowledge that his proposed abolition of the regulation is unnecessary and counterproductive, and instead proceed with his other, better developed plans for enforcing decent working conditions in the needle trades.

The article follows:

[From the Women's Wear Daily, May 16, 1981]

SUPPLY-SIDE SWEATSHOPS

(By Mark Hosenball)

The Reagan administration, groping for prosperity through deregulation, is well on its way to embracing some of the nastiest byproducts of laissez-faire economics. One of its latest enthusiasms is the sweatshop, that good old-fashioned dungeon where children and illegal aliens perforate their fingers with sewing needles for \$40 a week and are kicked down the stairs if they complain. Such Dickensian establishments still inhabit the undergrowth of the American garment industry. Like weeds, they always shoot up again despite all efforts to eradicate them. Sweatshops contravene local building codes (not long ago a young girl was killed in a sweatshop building in New York's Chinatown when she fell down a shaft because the elevator was broken), state labor laws, and long-established federal laws. The most frequently flouted of the latter are the federal child labor, minimum wage, and 40-hour week laws—all of which can be evaded through "industrial homework," the practice by which employers send work home with their employees. Industrial homework is banned by certain federal (hated word) regulations. Last week—shortly after Secretary of Labor Raymond Donovan's well-publicized "raid" on a Chinatown sweatshop—the administration announced its intention to take those regulations off.

Some modern conservative economists have always had a love affair with the sweatshop. In his "Free to Choose" television series Milton Friedman stood outside a Chinatown garment factory, pointed out that the conditions inside probably were dreadful and violated several laws, and proceeded to recall wistfully that his immigrant parents got their start in such an establishment. Friedman thinks today's immigrants should get an equal opportunity to experience the Victorian age. He said of the sweatshops' current occupants: "A place like this gives them a chance to get started. . . . If it were closed down who would benefit? Certainly not the people here. Their life may seem pretty tough compared to our own. But that's only because our parents or grandparents went through that stage for us. We're able to start at a higher point."

If Friedman sounded apologetic, the accession of Reaganism to the White House may have emboldened some of his theoretical conferees. An editorial in the March 16 issue of Barrons National Business & Financial Weekly was headlined: "In Praise of Sweatshops: Everyone Should Have the Right to Work." Barrons acknowledges that sweatshops flout a dozen laws, and proposes a solution: "Repeal some of the laws thus flouted, notably the minimum wage act and the . . . anti-homework rule of the Department of Labor." To justify these recommendations, Barrons cites its favorite economic authority, Walter Block. The Young Americans for Freedom recently described this Vancouver, British Columbia, economist as Canada's answer to Professor Friedman. Barrons quotes from a Block treatise entitled *Defending the Undefendable*: "The liberals who oppose sweatshops understand the importance of activities between consenting adults in sex and drugs but not when it comes to commercial behavior. To me, a sweatshop is just that, a capitalist act between two consenting adults."

It was a well-intended but misdirected Carter administration move to enforce the anti-homework rules that made it possible for Reaganites to seize on them as early candidates for extermination. Sweatshops are most highly concentrated in such advanced communities as New York, Los Angeles, and San Francisco, and industrial homework abuses are most serious among sweatshop operators who sew women's clothing in inner-city areas. But in December 1979 the Carter Labor Department chose to throw the book at C. B. Sports of Burlington, Vermont. This small business employed housewives to knit ski hats at home in their spare time. The housewives didn't maintain proper time cards, which meant, prima facie, the company was breaking the homework regulations. On the other hand, the knitters claimed they average \$200 per week for 35 hours and they couldn't work if they had to drive 40 miles from their farmhouse to a factory every day.

The Carter administration forged ahead anyway with a major lawsuit against C. B. Sports, charging gross exploitation of the home knitters. And much as Naderites used to swarm around a good product liability lawsuit against the auto industry, three right-wing legal groups soon signed up to represent the industrious rural seamstresses and small-business men against the unfeeling bureaucrats in Washington. An organization called the New England Legal Foundation of Boston became attorney for C. B. Sports. A Washington group, the Capital Legal Foundation, signed up to represent the proprietor of Stowe Woolens, another Vermont factory threatened with a Labor Department homework lawsuit. Dan Burt, the foundation's president, raised the company's case with a Reagan transition team before the inauguration. A Springfield, Virginia, union-baiting legal group, the Center on National Labor Policy, represented a group of Stowe Woolen knitters. Center attorney Michael Avakian claimed no special influence, but the center's board of advisers includes Jesse Helms and Orrin Hatch. The center's director, Baker Armstrong Smith, headed Reagan's transition team for the National Labor Relations Board. Within a month of taking office, the Reagan Labor Department held hearings, in Washington and Vermont, on whether the industrial homework regulations should be changed.

Before the hearings, representatives of two of the conservative legal groups—the Capital and New England Legal Foundations—told me they only wanted the homework regulations tinkered with so rural workers like the Vermont knitters might be exempted from time-card controls. They were content to see controls continue on city industry like ladies' apparel. Only the Center on National Labor Policy (which takes a strident "unions are thugs" line in its publications) adopted Barrons, position on the homework regulations. Attorney Avakian suggested that perhaps all homework rules, including those directed primarily at the inner city, should be eliminated. In the event, Donovan decided to do just that.

Not surprisingly, the needle trades unions produced strong arguments that the homework regulations should remain intact. Some state government officials—particularly a delegation from California, which has strong state laws against both sweatshops and homework—also testified at the Labor Department hearings in favor of even tighter homework and sweatshops enforcement. According to Labor Department

spokeswoman Deborah Rubin, even employers' groups expressed support for the homework regulations. Representatives of various clothing manufacturers' organizations told the department that if the homework regulations were eliminated, sweatshop operators would be able to make garments at even lower costs, thus driving law-abiding manufacturers and those with union contracts out of the country or out of business. The largest and most powerful clothing manufacturers' trade association, the American Apparel Manufacturers Association, seems to have played no part in encouraging Donovan to eliminate the homework regulations. Indeed, the association recently condemned sweatshops and proposed an industry code of conduct. Donovan's move to eliminate all the homework regulations may spring as much from a conservative and anti-union economic fetish as from a conviction that the move will provide a deregulatory boon to US industry.

It was while this decision was in the works that Donovan chose to appear in New York's Chinatown as part of a carefully orchestrated media event. He was accompanied by a Labor Department "strike force" that proceeded to "raid" a couple of garment factories.

"In 25 minutes we found \$15,000 in wage violations and three youth violations," Donovan reported afterward. They also found a 90-year-old woman working for one dollar an hour. Donovan told assembled reporters he would lobby Congress for an anti-sweatshop law "with more teeth" in it than the current law. "We're going to keep coming back until they offer people a decent wage," Donovan also promised. Time will tell whether the administration is genuinely schizophrenic on this issue or simply two-faced.●

HOUSE DEMOCRATIC LEADERSHIP'S POSITION ON TAXES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KEMP. Mr. Speaker, for several weeks now, I have held my peace while efforts were made to achieve a consensus on tax policy. And there did seem to be progress, especially when the House majority leader agreed to a 25-percent cut in income tax rates. Now, however, it is clear that the leadership of the Democratic Party is abusing the patience of the American people, who elected us and the President to straighten out our Nation's mismanaged economy. Before we can cut tax rates for all working and saving Americans, we are obliged to cut through the baloney coming from the Democratic leadership.

There are three issues in the tax debate. The first is simple honesty. President Reagan's original 30-percent cut in marginal income tax rates would barely offset the tax increases which are expected over the next several years. The President has frankly declared this to the Nation. The Democratic leadership, on the other hand, has refused to admit that it is

holding out for a \$100 billion tax increase over the next 3 years, disguised as tax relief.

The second issue is fairness. When you cut all marginal tax rates by an equal percentage, the distribution of the tax burden does not change. For example, compared with a family earning \$10,000, another family earning 5 times as much pays 25 times as much in taxes; a family earning 20 times as much pays 200 times as much tax. This is true both before and after cutting everyone's tax rates by the same percentage. All along, President Reagan has stood by this principle of treating all taxpayers alike and refusing to pit one class of taxpayers against another.

Congressman JIM WRIGHT and Speaker TIP O'NEILL say they want to "do more for the middle class," and that President Reagan's plan is somehow a "windfall for the rich." It is interesting to remember that cutting the tax rate on the wealthiest taxpayers from 70 percent to 50 percent was a Democratic proposal; it was President Reagan's to extend the same 30-percent cut to everyone's tax rates. And it does not take a genius to figure out that the Democratic leadership's paltry 15-percent tax cut, however distributed, does not do more for the middle class than a 25-percent or 30-percent cut for everyone. The Democratic leadership seems inveterately wedded to the principle of playing Americans off against each other instead of increasing the take-home pay and savings incentives of everyone.

Finally, there is the question of effectiveness. Only cutting marginal tax rates—the tax on additional income—can result in increased work, saving, investment, or the revenue which results. The historical evidence for this fact is overwhelming, and so far the Democratic leadership has made no attempt to refute it directly. The Democratic Party, liberal and conservative, now embraces the necessity of cutting the top rate from 70 percent to 50 percent. And in October 1978, both Houses of Congress approved a 25-percent cut in marginal tax rates over 4 years. It was cut in conference committee when President Carter threatened to veto the bill. The Democratic leadership's current posturing therefore is mere politics.

It will not work. Since the election, Americans have a simple criterion for judging the tax bill which emerges from Congress. If it is not the President's bill, it is a fraud and it undercuts his economic recovery plan.●

SOCIAL SECURITY: A NEW ALTERNATIVE

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GRADISON. Mr. Speaker, the administration's recommendations have advanced the cause of putting social security on a sound basis by leveling with the public about the seriousness of the problem, and making it clear to all who will listen that there are no easy answers. The basic problem with them is the abruptness of the recommended changes—in minimum benefits, student benefits, and now early retirement. The Social Security Subcommittee and the full Ways and Means Committee have already acted on minimum benefits and student benefits, providing a gradual phase-in of the cuts, but saving far less money than the President's plan. I am convinced that the subcommittee and the full committee will not accept the sudden drop in benefits for early retirement.

This leaves three basic choices:

First, borrowing up to \$100 billion over the next 5 years to maintain present social security benefits—this would, in my judgment, be devastating to the social security system and damaging to the economic recovery of the Nation as a whole. For social security it could well undermine the earned-right concept of benefits and remove restraint on benefit increases. For the economy it would mean higher interest rates, higher unemployment and higher inflation.

Second, increasing social security taxes above the levels provided in present law—I am convinced that we are reaching the limit of the public's willingness to pay taxes of all kinds—including social security taxes. We cannot balance our responsibilities to those who benefit from social security and those who pay for it by asking the taxpayers to carry the full burden.

Third, gradual, rather than abrupt, changes in the system, including a possible one-time-only reduction in the COLA. This is the course I suggest.

We must seek to provide, as the President's proposal does, adequate changes to deal with worst-case assumptions with respect to trust fund balances over the critical, short-run crisis period—1982-86. Furthermore, we must provide the the long-run alterations necessary to assure the survival of this system into the 21st century.

I believe the following elements of my proposal fit these specifications:

First, extend social security coverage to all Federal employees hired after January 1, 1982. This provision would also require mandatory coverage for Members of the U.S. House of Repre-

sentatives and the U.S. Senate beginning on January 1, 1982;

Second, starting after 1986, gradually reduce age at which retirement test no longer applies to 68;

Third, eliminate the lump-sum death benefit;

Fourth, reduce dropout years to 3; add 3 for child care;

Fifth, cover sick pay in first 6 months;

Sixth, change computation points for average indexed monthly earnings from age 62 to 65;

Seventh, increase bend points in primary benefit formula by 50 percent—instead of 100 percent—of wage increases, 1982-87;

Eighth, eliminate benefits for children of retired workers aged 62 to 64;

Ninth, disability maximum family benefit applicable to survivor and retirement cases;

Tenth, eliminate windfall portion of benefits for persons with pensions from noncovered employment;

Eleventh, require medical-only determination of disability; that is, exclude vocational factors;

Twelfth, increase disability waiting period from 5 months to 6 months;

Thirteenth, require disability prognosis of 24-plus months duration, instead of 12-plus months;

Fourteenth, require 30 quarters covered out of last 40 quarters for disability benefits, instead of 20/40;

Fifteenth, move date for automatic benefit increase from June to September and use 12-month average;

Sixteenth, a megacap on disability benefits;

Seventeenth, elimination of trust fund rehabilitation program;

Eighteenth, improve the own-motion review program; and

Nineteenth, improve timing of State and local government social security tax deposits.

If the economy performs as we all hope, these 19 changes should suffice to bring the system safely through the critical 5-year period without abrupt benefit cuts, tax increases beyond present law, borrowing or change in the COLA.

If the worst case assumptions come to pass the systems' needs could be met with a one-time reduction in the COLA effective September 1983. This midcourse correction would reduce no one's benefits. For example, assuming a \$500 monthly benefit, a 10-percent inflation rate, and an 80-percent one-time adjustment in the COLA, monthly benefits would increase from \$500 to \$540 instead of from \$500 to \$550 as under present law.

I hope that this specific alternative will be helpful in the committee's deliberations. I do not expect it to be universally acclaimed. I do urge those who disagree to come up as I have tried to do, with specific alternatives so that needed action can be taken—

and taken promptly to save the social security system.

Cost Analysis—Short Range Effect, Calendar Years 1982-86

[In billions]

	Admin- stration's budget assump- tions	Worst case assump- tions
Status of present system, deficit	-\$11.0	-\$110.8
Effect of administration's budget proposals	35.5	36.8
Status assuming enactment of administration's Mar. 10 budget proposals	+24.5	-74.0
Effect of administration's May 12 proposals	46.4	75.0
Status after administration's May 12 proposals	+70.9	+1.0
Modifications		
Status of present system, deficit	-11.0	-110.8
(1) Effect of Ways and Means fiscal year 1982 budget actions ¹	11.8	13.3
(2) Extend social security coverage to new Federal hires, January 1, 1982	8.3	8.7
(3) Eliminate lump-sum death benefit	1.8	1.8
(4) Reduce drop-out years to 3; add 3 for child care	1.3	1.3
(5) Social Security Subcommittee DI changes in H.R. 3207	1.1	1.1
(6) Section 304 of H.R. 3207, deposits of State and local government social security taxes	2.1	2.1
(7) 80 percent COLA effective September 1983	8.0	15.9
Effect of 1 to 7	34.4	44.2
Effect of administration's May 12 proposals absent items No. 4 (early retirement benefit reductions) and No. 13 (elimination of the retirement test)	*41.7	*67.8
Effect of modifications (1 to 7) plus revised May 12 proposal of the administration	76.1	112.0
Status after modifications plus revised May 12 proposal of the administration	+65.1	+1.2

¹ To avoid double counting, savings incurred from section 108 of H.R. 3207 as adopted by the full Ways and Means Committee in its budget actions are not included.

* Interacting effects have not been taken into account. ●

OCEAN MINING, AMERICA'S MARITIME CHALLENGE FOR THE 1980'S

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BREAUX. Mr. Speaker, May 22 marked this year's celebration of National Maritime Day. I would hope that those Members who were unaware of this event will take a moment now to contemplate the important role the maritime industry performs in our Nation's economic and national security. Today, I wish to pay tribute to this vital industry and I urge my colleagues to join with me in making a serious commitment to restore America's leadership role on the high seas.

Only a short time ago, the United States stood No. 1 in both fleet size and carrying capacity. Somehow that lead has been allowed to dwindle so that today the United States ranks 11th in number among the world fleets and is 8th in capacity. The downward trend faced by this industry must be reversed now lest we find our sealanes dominated by potentially unfriendly nations on which we would be entirely dependent for the carriage of our trade. Surely a concerted effort on

the part of industry and Government could stymie the deterioration of this fundamental sector of our economy. As Members of the House of Representatives, we must do our best to establish imaginative Government policies providing proper incentives for a competitive merchant marine. These policies will serve as a first step in regaining our place as a strong maritime nation.

While we have lost our first place in number of ships and tonnage, we have never lost the lead in new ship design and other innovations that have led to shipping efficiency and cost effectiveness. From the development of the fast clipper ships in the 1800's to the emergence of the LNG vessel in the late 1970's, the United States has been responsible for initial construction and technical expertise. We are continuing this lead in two other areas. American companies are now in the incipient stage of designing and building floating plantships for the purpose of converting ocean thermal energy into practical electrical generating capacity. Equally important is U.S. participation in the development of ocean mining technology which the maritime industry sees as one means by which it can grow and contribute to the development of an independent source of strategic minerals.

As you know, Mr. Speaker, for some time, I have viewed the ocean mining industry as essential to our freedom from dependence on sometimes unreliable sources for such important minerals as cobalt, copper, manganese, and nickel. Today, I would like to point out that the successful development of this industry could also mean that our own merchant fleet, rather than ships of other nations, will carry our strategic minerals.

Statistics gathered by our maritime industry point out the fact that not only are we dependent on foreign sources for the supplies of strategic minerals, but 90 percent of those supplies are carried on foreign-flag vessels. A recent maritime industry newsletter also indicates that the United States has less than 20 dry bulk carriers even capable of transporting critical minerals. This fact merely underscores the need for a successful deep seabed mining industry which would foster the construction and participation of U.S.-manned and documented ships in the carriage and mining of minerals essential to both military and business.

The importance of an independent supply as well as an independent means of carriage cannot be overemphasized. The insecurity of foreign-flag carriage was brought home dramatically in 1973 during the so-called Yom Kippur war, when Liberia issued an edict forbidding any Liberian-registered vessel from entering the war zone. Short of military confrontation,

there is little we could do to object to any action similar to that of Liberia: The country of registry has the right, in case of national emergency, to appropriate for its own purposes those ships registered under its flag.

It is my hope that an international environment conducive to profitable ocean mining can be established in a very short time. Otherwise, we could very possibly lose our technological and competitive edge. Indeed, some consortia have already slashed their budgets for ocean mining due to the uncertainty of the outcome of the Law of the Sea Treaty currently being negotiated.

Without elaborating on the specific details and problems of that treaty, let it suffice to say, that unless the final draft recognizes that the mining industry is motivated by profit incentives—as are all successful industries—no ocean mining company will invest any more money into the business. If no investments are made, we will have lost the opportunity for independence in essential nonfuel minerals as well as the opportunity to enhance an industry desperate for new life. ●

TWO FACES OF WAR

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. HARKIN. Mr. Speaker, yesterday the House of Representatives passed H.R. 3499, the Veterans' Health Care Act of 1981.

It is evident that the millions of veterans who returned from Vietnam fall into two distinct classes. They have all been to war; they all bear some scars from that war and they all survived that war. But while a few returned home heroes, many thousands returned home victims.

The provisions of the Veterans' Health Care Act of 1981 can go a long way in assisting those victims. It is possible that they would not go far enough, but at last we can say that we have begun to assume our societal responsibility to these veterans.

Mr. Speaker, I would like to take this opportunity to insert into the RECORD an article by Myra MacPherson entitled, "Two Faces of War: POW Power and the Agony of Agent Orange," from the Washington Post, May 26, 1981. Ms. MacPherson's article vividly illustrates the necessity for providing additional services to those who served in Vietnam and returned home victims.

[From the Washington Post, May 26, 1981]

TWO FACES OF WAR—POW POWER AND THE AGONY OF AGENT ORANGE
(By Myra MacPherson)

Cheers burst forth and seats clattered as a roomful of military men and their wives

moved as one in a standing ovation. The cheers were louder than when the name of their adored president, Ronald Reagan was evoked. Richer even than the hosannas for "the man we all know and love—Richard Milhous Nixon" as their former commander in chief was described when his telegram greeting was read.

For here at the Shoreham last Sunday, in front of them, was H. Ross Perot the pint-size Texas millionaire and longtime friend of these men—250 former Vietnam POW's.

The world first heard of H. Ross Perot in 1970 when he loaded two jets with Christmas presents for the POW's and zapped around the world in vain, trying first to get Hanoi and then the Russians to let him in. There is a slight flush of anger as Perot—as tough as he is generous—recalls the press reaction at the time. "As far as the press was concerned I was just a funny little guy doing odd things. But the facts are that Henry Kissinger asked me to do it and Al Haig was my contact. We got millions of dollars worth of press and it was all carefully planned to embarrass the North Vietnamese into changing their treatment of the POW's. And they did."

The former POW's in starched white jackets filled with campaign ribbons, and their wives formed a long line as they filed by Perot paying their respects to the man who barely reached their shoulders. "I just wanted to tell my children I met the greatest American in our time," gushed one wife. One ex-Air Force pilot asked Perot if he knew anyone with a Texas airline, "I'm looking for a flying job." "Use my name," shoots back Perot. "I probably know 'em." A little laugh. "I hope I don't cost you the job."

There were lots of laughs. The former POWs and pilots are into "right stuff" talk these days. Jokes, macho, friendly congenial banter. "Hey, you ole sonofabitch, how are you?" One pilot to three women talking together. "Now there aren't enough pretty ladies to go around. This is no time for a hen party."

They were crowned heroes in a war that had few heroes. "Our psychological problems just drifted away," said Allen Stafford, commander, U.S. Navy. "Hell, we were professionals, I fly my plane and do what the boss says to do." He speaks of the men who fought the war on the ground. "I don't relate to their problems but I'm in sympathy with the poor guy that was on the ground. But our life just gets better. I just about had a coronary I was so glad Reagan got in. El Salvador? I'm not up to speed on that. But I have absolute faith the President will do what is right. I'd go again and fight it all the way. If he wants to send me in a cockpit, I'd go."

At American University this Memorial Day weekend, Stafford's gung-ho view was lost on another group of veterans—the drafted and enlisted men; the grunts and ground-pounders who slogged through the jungles of Vietnam. There were no White House parties for them as they returned from that same war. But the ex-POWs got a liberal discount on their Washington hotel rooms and eight airlines offered free rides to the Washington reunion. The 200 other vets and their families across town at the Agent Orange conference stayed in friends' houses, cheap hotels. They came from California and Boston and Florida. The Wisconsin group had bake sales to pay for their trip. And they had to sell T-shirts and fatigues at \$5 and \$7 to help meet expenses. They were doing a brisk business in shirts

with such slogans as "No Draft, No Way," and a T-shirt with the slogan "Dow Shall Not Kill" (for Dow Chemical Company, manufacturers of the chemical Agent Orange).

For they were here for a National Vietnam Veterans Conference on Agent Orange. There were professors, scientists and lawyers in three-piece suits and veterans in faded fatigues as well as coats and ties. They tried in vain to get a representative of the government, of the Veterans Administration, to attend.

These are the men who were thankful they made it back whole but now feel they are victims of a sinister legacy—Agent Orange. The defoliant that rained on Vietnam for years contains dioxin, one of the world's most deadly chemicals. A single drop, if it could be divided equally among 1,000 people, would kill them all. It can topple a 150-foot hardwood tree in two days. The amount of Agent Orange sprayed in Vietnam totaled about 96 million pounds. The veterans are asking for testing, treatment and compensation for what they feel are Agent Orange-caused illnesses—everything from cancer to birth defects in their children.

"This is the first war that reached into our maternity wards," said Tom Vallely, a Boston state representative and Vietnam veteran who received the silver star for bravery. Eighteen months ago, his daughter was born with a serious birth defect. "The Vietnam experience does not belong to the past," Vallely said. The warfare we saw in Vietnam is the warfare of the future. Vietnam was a laboratory, our own men were the guinea pigs. Our men got caught in a crossfire of bullets and chemicals."

Their cause is not popular with the government or chemical companies who could have to pay billions in medical benefits and lawsuits if the list of diseases were ever linked to Agent Orange.

And so Ronald DeBoer, a tall, slim, handsome ex-veteran and director of Agent Orange Victims of New York, was speaking mostly to the converted as the keynote speaker.

Life was fine for DeBoer. He returned from Vietnam, went to college, started his own business. Then, he got cancer. "My wife read about Agent Orange—a herbicide that causes cancer in laboratory animals. I began to read and I still couldn't believe that my government would send me into an area that would be contaminated with what turns out to be the most toxic substance known to man." Laboriously, DeBoer began trying to find out "what happened to the other men in A Troop, Seventh Squadron, 17th Air Cav." He called Kevin, a New York City cop whose first child was born dead and his second deformed. He got him in touch with another from his troop who told DeBoer, "My first child was born with a deformed leg and my second child was born mentally retarded." Like many of the other veterans and wives with deformed children, the man had no history of genetic problems. Next was Alan, a California mailman. He had developed hypertension, severe headaches, skin problems and "never felt well a day since I returned." DeBoer contends that "five out of six of the troop that I contacted had hard-core Agent Orange problems." He is loaded with statistics: "A new study found 43 percent higher incidence of soft tissue carcinoma among people who have been exposed to dioxin," and was greeted with sustained applause when he shouted, "We don't have to hear about rabbits and mice

and monkeys. We have the people—2.48 million who served their country. They should be compared in a controlled study with 2.4 million men who did not go to Vietnam but were in the Army."

DeBoer finished with, "This Memorial Day, thousands of Vietnam vets aren't going to home-town parades because they're in cancer wards, thousands of Vietnam veterans' wives are going to be at cemeteries putting flowers on the graves of those who survived the war. That is our Memorial Day. But who in the VA stands up and speaks for us? As the people in Washington and the war contractors sit around the pools and go to parties and dip their manicured fingers in the caviar, you can be sure they are not thinking of us."

At the Shoreham, H. Ross Perot finally ducks out of the endless stream of praise from the former POWs. Perot was hiring Vietnam veterans for his Electronic Data Systems Corp. back when "you were thought a militaristic lunatic to do that. We've hired'em by the thousands and not had a psychological problem with a one. I feel sorry for the ones who have trouble but it's a gross distortion to say they're the average Vietnam vet." He is, however, interested in Agent Orange. "You know that fella that shot up the VA hospital in California? His wife sent me a letter. So I called her and asked if there was something I could do. She said, 'Nothing. He's dead.' She's got a very famous coroner doing a detailed autopsy to see if anything can be linked to Agent Orange."

The former POWs glisten with prosperity, look so healthy that it is hard to imagine that most spent seven years in prison. Seven of them line up and a wife snaps a picture as all grin. There are occasional, brief clouds. Asked about his children, one stops smiling. "I lost them when I was over there. They don't know me. But I'm remarried . . ." and the smile is back.

Ron Bliss, now a Texas lawyer, looks at another former POW and says, "He was my first roommate." He was not referring to a military academy. They were together for nearly a year in the prison dubbed The Hanoi Hilton. "He was tortured so badly he couldn't move his arms for months." As Bliss drifts off, Jack Fellows says, "He saved my life. When I couldn't move my arms he fed me, bathed me, clothed me . . ."

Now, all these years later, Ross Perot has a thought on the way America treated veterans. "We've got ourselves in a strange box in this country. Making heroes out of hostages and prisoners and not the others. Think about it."

At the Agent Orange conference, no one was talking about wanting to be heroes. Many there were forged in the Vietnam Veterans Against the War (VVAW) movement. They were there, among the several hundreds of war heroes who pelted ribbons and medals at the Capitol terrace in 1971. They are leery of right-wing revisionism of Vietnam and feel the war was wrong.

Their concerns are personal. Margaret and Larry Driscoll wear their bright orange "Agent Orange Victims of New Jersey" T-shirts as their 4-year-old redhead, Erin, plays on the lawn outside the conference. Driscoll was a medic. He began getting severe headaches in Vietnam (one of the symptoms mentioned by alleged Agent Orange victims) and "they continue to this date. Nothing helps. All I can do is lie down and wait." He was in the computer field but took a laborer's job, unloading trucks, "just in case my headaches were caused by the

mental stress of the job." In 1969, Margaret had a stillborn baby that was badly deformed. "A very rare defect. She was born with only half a brain. They couldn't give me any reason." Her husband's problems grew. Headaches, severe skin rash, "and now my joints kill me. I was on the swimming team before. Now I can't throw a ball 10 feet."

They held off on children and then, in 1977, Erin was born healthy. The next year, a baby was born with a cleft palate. "You look down at your newborn and you see this. She had only two chambers to her heart, a displaced spleen. She died three days later," says Margaret. Scientists refer to such personal information as "anecdotal data" that contain no hard-core facts. However, veterans and their families feel there are insidious and peculiar patterns to these stories. Margaret Driscoll was the third woman at the conference to mention that she had had amniocentesis; that no birth defects were detected and yet she gave birth to abnormal babies. "We went all through the genetics and the doctors still haven't given us an answer."

Today, they are still paying for the medical bills—"and the funeral bills."

The wives of former POWs are dressed in flowing chiffon and lace. They, like their husbands, are professionals. Little of those seven years of wondering, of raising children alone, shows on their faces today. "The children were all scarred," says Louise Mulligan, whose oldest of six was 15 and the youngest 3 when her husband was captured. "But most of us have found our children have come out very well." It was hard on teen-agers, whose peers were vociferously anti-draft. "I told my oldest, when he went off to college, not to mention where his father was. He was having enough trouble without that."

Nearby sits a younger wife, Mary Jane McManus. She had been married four days when her husband left for Vietnam. He was captured June 14, 1967. She was in her early 20s. "I was in college in the nonviolent period." She and other POW wives tried to appeal to all political persuasions. "No matter how you felt about the war, they were political prisoners." Her pretty face grows hard when she remembers those in the peace movement "who wanted to try our husbands as political prisoners." They survived because, said McManus, "they followed a chain of command within the POW system."

McManus now has five children—ages 7, 5, 4, 3, 2—"and one coming."

There is talk of Agent Orange. "I don't know what we can do about that," she says. "My brother has had it, has had the acne and skin conditions for eight years." She is told of the women at the conference who feel that birth defects were caused by Agent Orange.

"Oh really," she said, sympathetically. "I didn't know about that." There is a moment's sigh.

At the Agent Orange conference, a lawyer says, more sadly than disparagingly, "The POWs are an accident of history—a bunch of right-wing officers turned into heroes."

Meanwhile, in the Shoreham banquet room, where every military man turned in precision as the color guard filed past, there is a heady feeling that their time is now. Approving nods as Reagan's emissary, Lyn Nofziger, assures that "no longer is the United States backing off in places like El Salvador."

And yet, even here, there is still an edge of ambivalence, a remembrance of bad times past.

McManus says softly, "Who would want to send a child or her husband to any war?"

UNITED STATES SHOULD REDUCE ITS SUPPORT FOR IN- TERNATIONAL DEVELOPMENT ASSOCIATION

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDWARDS of Oklahoma. Mr. Speaker, although I recently supported passage of the supplemental appropriations bill for the 1981 fiscal year, I did so with some reservations, which I think must be put on record, concerning the committee's recommendation to grant the supplemental request of \$540 million for the sixth replenishment of the International Development Association, the so-called soft loan window of the World Bank. I make these concerns public now in the hope that the administration will reconsider its support for IDA in future appropriations.

Mr. Speaker, I am concerned that at a time when we are cutting back on domestic programs, and asking those served by these programs to sacrifice for the good of the country, we are going forward with a commitment of half a billion dollars for foreign aid.

The argument is frequently made that extending these loans to the world's underdeveloped countries helps promote a Western orientation in the recipient countries. I would like to believe that this argument is sound. But I find it less than compelling when I note that in fiscal year 1980, India—which is certainly not noted for any pronounced pro-Western stance—ranked first in the amount of IDA loans, receiving 40 percent of the total, more than the next nine countries received combined. Countries such as Egypt, Kenya, and Pakistan, which have been cited as being important to the United States because of security and defense arrangements, received far less than did India. I seriously question whether this kind of lending truly supports U.S. security interests.

A second argument in support of the IDA VI replenishment is that failure to appropriate the full U.S. share would abrogate an internationally negotiated commitment which the United States must honor. However, as former Treasury Secretary Michael Blumenthal has stated clearly, in testimony before the foreign operations subcommittee, the United States made it known in the replenishment negotiations on IDA VI that U.S. acceptance of the agreement was to be understood as preliminary and provisional. To

quote Secretary Blumenthal on this point:

When we indicate a particular level of support we make it clear to the institution that this is not a commitment and that it will not be forthcoming unless the funds are not only authorized but also approved through the appropriations process of the Congress.

Mr. Speaker, I am not arguing against continued U.S. participation in IDA. But I do believe very strongly that a reduction in the level of U.S. support is warranted, particularly when we are asking our fellow Americans to tighten their belts in the interest of restoring fiscal health to our economy.

INDUSTRY DOUBTS ACCELERATION OF OCS LEASING

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, for several years I have been warning that merely accelerating the leasing of offshore lands will not assure expedited production of oil and gas reserves from the Outer Continental Shelf (OCS). During consideration of the OCS Lands Act Amendments of 1978, when I served as a member of the Ad Hoc Select Committee on the Outer Continental Shelf, I frequently warned that excessively rapid leasing would deprive taxpayers of a fair return from the sale of these publicly owned resources. Moreover, I noted at that time, the oil industry admitted that it lacked the capacity to explore or develop substantial new areas of the OCS.

Several provisions of the 1978 law attempted to require an orderly leasing schedule, developed in consultation with affected State and local representatives, which would assure safe development, a fair return to the Treasury, adequate competition among oil company bidders, and diligent production on leases already sold. These provisions, which are in the law, were developed in response to several studies which showed that the proposed 10 million acre lease sale under the Nixon-Ford administration would have serious economic ramifications, all negative.

A 1974 report of the House Banking Committee noted:

The Department of the Interior has been unable to properly manage the current OCS leasing program, and will undoubtedly commit even greater disservices to the public interest under the accelerated leasing schedule. A glut on the market of lease offerings will reduce competition because of a limited amount of capital available for bidding purposes. Offering more tracts will decrease the average number of bids per tract. A positive correlation exists between

the number of bids per tract and the level of the winning bid.

A 1975 report of the national ocean policy study staff concluded that:

Evidence from 1973 and 1974 lease sales shows that competition has declined as acreage offered has increased and suggests that the proposed accelerated leasing program may lead to a significant reduction the public receives for its resources.

The General Accounting Office made similar observations in 1975 and 1977:

Increases in shelf sales size and frequency in 1974 have caused workload problems resulting in an abbreviated valuation program and which have also lessened the Government's ability to insure a fair market return on lease offers—

GAO reported in 1975.

Because of large lease offers, competition is weakened.

In commenting on proposed lease sale 40 in 1977, GAO noted:

Much of area that is considered for lease is not even examined and tracts are included in sales despite their apparent low promise of resources. We believe this policy encourages speculation in bidding, can result in tying up limited industry capital in lands with little or no minimal resources, and bring into question the public's right to receive a fair market value. [Emphasis added].

I want to note to the Congress that this situation—the leasing of vast amounts of unknown and low value lands, with the resultant loss of fair market value returns for taxpayers—is precisely the situation in the controversial California lease sale which was held earlier this week despite legal actions to prevent its occurrence. The Interior Department was either unaware of these past studies, and the long legislative history behind the 1978 OCS Act, or is simply choosing to ignore the facts. Either way, the taxpayers are going to be severely injured.

Perhaps Secretary Watt believes that these past studies were biased against industry. I suggest he allow industry to speak for itself in that case. In questioning before the Commerce Committee in 1974, the president of Gulf Global Exploration acknowledged that tying up industry capital in front end bonuses, as the Interior Department wants to do, could actually delay exploration and development:

It would be a drain on the financial capability of the oil industry to develop that many leases if we continue to put a lot of this money into lease bonuses. Most likely, the price of the leases will go down as more leases become available. [Emphasis added].

We have heard industry again raise concerns about the unavailability of drilling equipment, capital, and manpower among exploration and production companies. The Reagan administration's proposed accelerated leasing program, which dwarfs that of Presi-

dent Nixon, is apparently causing more consternation than glee among some companies who recognize that the overextended sale of land will not expedite oil and gas production.

I would like to submit an article on this subject, "No Bonanza in Offshore Oil," which appeared in the June 8, 1981, edition of Business Week:

[From Business Week, June 8, 1981]

ENERGY—NO BONANZA IN OFFSHORE OIL

A major element of President Reagan's energy policy—a speedup in the leasing of federal offshore areas for oil and gas exploration—is running into opposition from an unlikely quarter. Some of the nation's largest oil companies are questioning whether they have the manpower, equipment, and money to cope with an accelerated pace of lease sales.

"Drastic changes [in leasing schedules] can upset the capital, equipment, and manpower planning efforts of many firms, including our own," says E. F. Livaudais, Washington representative for Atlantic Richfield Co. ARCO and a handful of other major oil companies have told the Administration that they are quite content with the old leasing schedule set out by the Carter Administration. "Our resources would be used more efficiently if the previous schedule were left intact," says Michael J. Savage, president of Sohio Petroleum Co., a subsidiary of Standard Oil Co. (Ohio), Alaska's No. 1 oil producer. "We may not have the manpower to cope," he adds.

The leases in question involve tracts on the Outer Continental Shelf (OCS), an area of some 900 million acres off the coasts of the U.S. (including Alaska) said by the U.S. Geological Survey to contain 17 billion to 44 billion bbl. of oil and 117 trillion to 231 trillion cu. ft. of natural gas. To date, 96 percent of all the oil and gas produced from the OCS has come from the Gulf of Mexico, a region the industry terms "mature," or unlikely to contain major new reservoirs. And for seven years, offshore oil production from federal lands has been falling.

Despite the doubts raised by these factors, oil and gas producers have been protesting bitterly for several years that so-called frontier areas, principally off the coast of Alaska, have been withheld from leasing for exploration and production. The producers have also been frustrated by frequent delays in lease sales in other areas through the 1970s, as environmentalists mounted challenge after challenge to government leasing plans.

FASTER SCHEDULE

This year, as in the past, the government will select OCS tracts, determine their fair market value, and then put them up for bids at auctions. In 1980 the process resulted in the sale of about 1.1 million acres of the 2.6 million acres offered. Now, Interior Secretary James G. Watt has proposed a five-year plan that, beginning in 1982, would allow producers themselves to evaluate and make bids on tracts selected from as much as 200 million acres annually.

Most significantly, the proposed Administration schedule includes six more offshore Alaska sales than were included in the 1980 schedule proposed by Carter's Interior Secretary, Cecil D. Andrus. Two Alaska sales, one each in the Bering and Beaufort seas, have been moved ahead a full year under Watt's plan in response to industry claims that the areas hold more potential for the discovery of large hydrocarbon deposits than do any other offshore regions.

Watt also is proposing a cut in the time set for lease-sale preparations, mainly by requiring basin-wide environmental studies, rather than the tract-by-tract evaluations that have been performed in the past. And oil executives generally applaud the presale changes, noting that sales outside the Gulf of Mexico in the 1970s were delayed an average of 12 to 15 months while environmental information was gathered. Says Douglas G. Garrott, operations manager for Exxon Co. USA's exploration department: "The sooner we know what's up there [in the frontier areas], the better off we are."

EXPERTISE IN SHORT SUPPLY

But the glee is not universal, and the oil companies that question the wisdom of the speedup are not the only ones concerned that Watt's leasing goals may be unattainable. Analysts predict a shortage of tubular steel products used in drilling could develop by the end of this year, even before the Reagan Administration's leasing program could begin. And all but the largest oil companies are faced with critical shortages of experienced geologists who determine where exploratory wells should be drilled. That expertise is crucial; drilling costs in the frontier areas of Alaska can run up to \$25 million for a 15,000-ft.-deep well.

The oil industry already has paid \$1.1 billion for the right to drill in the Baltimore Canyon off New Jersey, and has yet to find enough oil or gas to warrant commercial development. Thus, it is no wonder that "there are those who are panic-stricken" by the prospect of an even faster drilling pace, says Henry A. Hill, Conoco Inc.'s marine region operations manager and an advocate of Watt's plan.

There also are those who say the oil industry has been slow to develop properties it has purchased. Energy Action, a consumer group based in Washington, claims the nation's top 20 oil companies increased their undeveloped land holdings by 48 million acres, or 43 percent, between 1976 and 1980, while the amount of developed lands they hold rose by only 682,000 acres, or 2.5 percent, in the period. "The findings clearly demonstrate that the major oil companies, not the federal government, have been locking up lands in order to cash in on higher oil and gas prices in the future," says Energy Action Director Edwin Rothschild. The oil companies, he adds, "simply can't handle the land they've got now." And he asks: "Should we expect more production from [the oil companies] simply because the federal government is willing to put up 200 million acres a year of offshore property for lease?"

But the complaints about accelerated leasing so far have carried little weight at the Interior Dept. Watt says he is committed to "using the market mechanism rather than arbitrary government decisions" to determine the number of sales and the amount of acreage put up for bids, and to further define the nation's offshore oil and gas resources. Observers say that that approach may preclude all but the six or seven largest oil companies from operating alone in the most costly offshore areas, principally the basins off Alaska. Watt himself has said he does not think "the best interests of the nation would be served" by allowing smaller producers to enter the offshore sweepstakes by using bidding methods other than the straight, up-front bonus system that traditionally has favored major companies.

"It's beyond my belief that anyone in the industry would argue against an acceleration after all the delays of the past five

years," says R. H. Nanz, exploration vice-president in Shell Oil Co.'s western operations. Adds Exxon's Garrott: "If you can't compete, get off the track."

A LITTLE SIMPLISTIC

But some oil executives do concede privately that the Reagan Administration's statements that added oil and gas production may result from stepped-up leasing has caused them to worry. "Some of the 'production, production, production' talk is a little simplistic," says one executive. Indeed, despite a frantic drilling pace both on and offshore since 1973, reserves of domestic oil have been falling, dropping to 27.1 billion bbl. in 1979, the most recent year for which figures are available, from 35.3 billion bbl. in 1973.

In federal offshore tracts, production of oil fell to 389.4 million bbl. in 1979 from 589.6 million bbl. in 1973. U.S. Geological Survey spokesmen say 1980 figures now being compiled will show another drop. Industry representatives note that even if substantial deposits of hydrocarbons are found in promising offshore areas, production probably could not begin before the mid-1990s.

Other, more pessimistic, forecasters say opening more territory for drilling may only demonstrate the need to develop nonoil energy sources. Says one consultant: "The myth that we can produce our way out of the supply crunch by freeing federal lands will be destroyed." But others say drilling is necessary, if only to find out exactly what the OCS has to offer. Says Richard Nehring, an analyst at Rand Corp.: "It seems prudent from the nation's viewpoint to find out what the extent of our hydrocarbon base is as quickly as possible."

Mr. Speaker, if Secretary Watt's accelerated leasing of the OCS will not simultaneously accelerate the exploration of production of domestic oil and gas, and if it will result in less than fair market value for the taxpayers who own this oil and gas, we must ask why the Secretary insists on proceeding in such a capricious and counterproductive manner. Neither the industry nor the taxpayers will truly benefit from this unrealistic program. The reason, if there is a sound one, escapes not only me, but the experts in the industry.

The decision to proceed with the highly controversial sale off California this week illustrated another serious shortcoming in Mr. Watt's approach to management of the OCS. He chided Governor Brown for parochialism in opposing the lease sale.

Yet Mr. Watt failed to note that virtually every elected official in California, from both parties, in Federal and State office, opposed this lease sale. The legislature approved AJR 19, which memorialized the Secretary to follow Secretary Andrus' pledge with withhold leasing from the four environmentally sensitive tracts, and to focus attention upon those offshore areas with the highest reserve potential.

Mr. Watt's intransigence might be understandable if it were only a choice between the environment and energy

needs. But it is not. The California tracts will produce a miniscule amount of oil and gas.

Mr. Watt's intransigence might be supportable if we had run out of produceable lands already under lease. But we have not. In fact, only 6 percent of the already leased OCS lands are in production.

Mr. Watt's intransigence might be understandable if accelerated leasing would expedite offshore oil development. But given capital, manpower, and equipment limitations, most of the newly leased land will lay idle, like 96 percent of the currently leased land.

And let us not forget that the acres which are leased but not produced do have a significant financial impact on the taxpayer, because they drive down the peracre bid, and result in a tremendous loss to the Treasury and the taxpayer.

Mr. Watt's decisions are based on the fiction that more leasing means more oil; it does not. It means more concentration in the oil industry, losses to taxpayers, long years of litigation, and in general, irresponsible management of the Nation's resources. The Congress has spoken out forcefully on the appropriate way to manage offshore lands. The Secretary has the obligation to follow that mandate.●

POLETOWN MOVE SUPPORTED

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FORD of Michigan. Mr. Speaker, on Monday, June 1 the Washington Post printed a front page story about General Motors' efforts to locate a new assembly plant in Detroit. Unfortunately, the story provided a badly distorted view of GM's social responsibility and sensitivity, the attitude of Detroiters toward the new plant, and the effect of the plant on the community in which it will be located.

The story portrays GM as an invader, heartlessly destroying a small ethnic community and driving families from their homes and churches. In fact, General Motors' decision to build its new plant in the heart of Detroit's inner city was eagerly sought after by the city of Detroit, was applauded by the Catholic Church and the UAW, and is supported by the vast majority of Detroit's citizens. Far from being an invader, General Motors has had its world headquarters here for decades, and its new plant will house operations currently performed at another Detroit plant. The area chosen for the plantsite was not a thriving community; city officials selected the area precisely because it was sparsely populated, economically distressed, and for-

merly supported Chrysler's Dodge main plant, the closing of which last year cost the city 5,000 jobs.

Most residents of Poletown have supported the city's actions: 90 percent of the affected property owners sold their properties voluntarily. As the Post story related, most Poletowners had been anxious to leave the area for some time and were delighted with the city's compensation packages, which have been quite generous. I sympathize with those few residents who have resisted relocation, but to focus on their situation to the exclusion of the enormous good the GM project will do for Detroit and its people does everyone a disservice.

Two hundred and sixty-seven thousand people in the Detroit metropolitan area are currently unemployed. The city has seen a steady erosion of its tax base for more than a decade as hundreds of manufacturing plants have shutdown or relocated to the suburbs, other cities and other States. The ripple effect of plant closing has been well-documented. Depending on the industry, each manufacturing job lost in a community leads to the loss of one to three jobs in the retail and service sectors. The effects of this out-migration on the city's finances and services—and ultimately, on the quality of life of all of its citizens—have been harsh and obvious.

General Motors' decision to locate its new plant in the city is, thus, an extremely important reversal of a disastrous trend. It is no exaggeration to say that the new plant, which will employ between 3,000 and 6,000 people, is the most positive economic development for Detroit in 30 years. Coming in the wake of the Dodge Main closing and the recent Uniroyal tire plant shutdown, the new GM plant could hardly be more welcome or more desperately needed.

I personally feel compelled to correct the Post story's misimpressions and its implicit criticism of General Motors because for many years I have criticized GM and other corporations for their irresponsibility in dealing with the problems of economic dislocation. All too often when faced with the prospect of replacing aging facilities, American corporations have cavalierly abandoned the communities and the workers that have contributed to the business' success and profits in favor of rural areas where land is cheap and unencumbered by the restrictions of an urban environment or in favor of lower wage, lower tax areas and union-free environments. As a result, cities such as Detroit, New York, Cleveland, Buffalo, and St. Louis have seen their manufacturing base bleed away as their major manufacturers have expanded elsewhere and have gradually phased out their urban operations. Nearly all of the transportation industry plant closings in the past decade

have occurred in Northern cities, while nearly all of the plant openings and expansions have occurred in the South, predominantly in rural areas.

Faced with the prospect of squeezing a modern manufacturing facility onto the site of an ancient seven-story factory located in a blighted inner-city neighborhood in a city whose finances are shaky, and in a State whose business climate has been unfavorably rated by the self-appointed experts on such matters, GM might have been expected to follow Nissan Motors to Tennessee or to choose a great empty tract of land near Houston. Instead, GM's management factored in their corporate responsibility for the future of their headquarters city and its people and made a decision that should be lauded by the media and emulated by the rest of corporate America.●

THE HAMILTON-VINTON METHOD OF REAPPORTIONMENT

HON. FLOYD J. FITHIAN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FITHIAN. Mr. Speaker, I rise to speak to H.R. 1990, a bill to reform the equal proportion method of apportionment presently in use to the more impartial Hamilton-Vinton method. Of the several methods of apportionment, I favor the Hamilton-Vinton method because of its impartiality, simplicity, and equity.

The method of equal proportion has denied several larger States equal representation, has ignored the ideal of one man, one vote, and has proved to be unduly complicated. Of the several alternative methods, the Hamilton-Vinton system is the most desirable.

I am pleased to submit for your examination a report explaining the importance and virtues of the Hamilton-Vinton method and the resulting necessity of the passage of H.R. 1990. This well researched and analytical report is entitled "Changing the House of Representatives Apportionment Formula from the Method of Equal Proportions to the Method of Hamilton-Vinton: A Justification." The report explains the Hamilton-Vinton method, as well as comparing it to the alternative methods of equal proportions, major fractions, and harmonic mean.

I am pleased to bring this excellent report to the attention of my colleagues and reprint the study in the CONGRESSIONAL RECORD:

CHANGING THE HOUSE OF REPRESENTATIVES APPORTIONMENT FORMULA FROM THE METHOD OF EQUAL PROPORTIONS TO THE METHOD OF HAMILTON AND VINTON: A JUSTIFICATION

For nearly forty years the assumptions of "fairness" justifying the current method of apportioning the House of Representatives have not been seriously challenged. In 1980, however, two mathematicians, M. L. Balinski and H. P. Young wrote in a Washington Post article that the method of equal proportion has "cheated the larger States, given undue representation to the smaller ones, and violated both the Supreme Court's one-man, one vote rule and the intent of the founding fathers."¹

In addition to the charges of Messrs. Balinski and Young, an additional charge has been made against the method of equal proportions. It is unnecessarily complicated. The Congress does not need a formula that assigns seats in Congress on the basis of the geometric means of successive numbers.²

H.R. 1990 proposes a method of apportionment that was first proposed by Alexander Hamilton and whose chief sponsor in Congress was Samuel F. Vinton (Whig, Ohio). This method, known today as Hamilton-Vinton, was used in various forms from 1850 to 1900. It is a method that is intuitively understandable, honors the concept of "quota" better than any other, is neutral in its impact on any group of States, and as much as any other imperfect apportionment method, meets the goal of "one person, one vote." Hamilton-Vinton better meets the needs of the Congress than any of its more modern competitors.

THE METHOD OF HAMILTON AND VINTON IS INTUITIVELY UNDERSTANDABLE

Reapportionment by Hamilton-Vinton is based on simple long division. Specifically in 1981, the U.S. apportionment population (U.S. population minus the District of Columbia) is divided by 435. The resulting quotient, 519,234 persons, is the "ideal" size congressional district in 1981. States with fewer than 519,234 persons receive a seat because the Constitution requires each State to have at least one House seat. Each State's population is then divided by 519,234. In most cases this results in a whole number and a fraction (such as 2.628). Each State receives the whole number of seats to which it is entitled and those States with the longer fractions get seats until the fixed House size (435) is reached.

The method of Hamilton-Vinton could be described as the method of largest fractions because it does not, as some people believe, give only those States over one half an additional seat. For example, if every State in 1981 is given a seat for a fraction larger than one half, the House will have 438 Members. In order to adjust the House size downward, the States with the smallest

fractions over one half will lose seats until 435 seats are assigned. In some apportionment fewer than 435 seats are assigned if only fractions above a half are given seats. In these cases, the States with the largest fractions below a half will get seats until 435 is reached.

THE METHOD OF HAMILTON AND VINTON HONORS "QUOTA" MORE THAN ANY OTHER

Quota is important because it is a measure of fairness that is generally accepted. Should the States of California and Indiana with "quotas" of 45.584 and 10.574 respectively, receive the lower number of 45 and 10 seats, when the States of New Mexico and Montana get the higher number of 3 and 2 seats with "quotas" of 2.504 and 1.516? Simple logic would say no, but this is what happened in 1981.

The proponents of the method of equal proportions believe that it is acceptable for States with smaller quotas to take seats from States with larger quotas if it can be shown that proportionally the States with the smaller absolute quotas will be underrepresented in relation to the States with the larger absolute quotas.

In 1981 it works in this way. If New Mexico gets three seats, the average size congressional district in the State will be 433,323. Indiana's average with 10 seats will be 549,018. Expressed as a proportion, Indiana's average size district is 27 percent larger than New Mexico's average district. If, however, New Mexico's third seat is given to Indiana to make the assignment 11 and 2, then New Mexico's average size district becomes 649,984 and Indiana's 499,107. New Mexico's average size district then would be 30 percent larger than Indiana's.

Based on this comparison, the method of equal proportions gives New Mexico 3 seats and Indiana 10 because the proportional difference is greater (30 percent v. 27 percent) than if New Mexico gets 2 and Indiana 11. A similar relationship can be shown between California and Montana.

Proponents of Hamilton-Vinton contend that honoring true quota is more important than proportional differences. No other method (including other methods such as the method of harmonic mean, greatest divisors, and smallest divisors) better honors the concept of quota than Hamilton-Vinton.

THE METHOD OF HAMILTON AND VINTON IS NEUTRAL IN IMPACT ON VARIOUS GROUPS OF STATES

Officials at the Census Bureau and H.P. Young agree the Hamilton-Vinton is neutral in its impact on various groups of States.

Balinski and Young contend that equal proportions is biased in favor of small States at the expense of large States. On an average, they say, small States are favored at a rate of 3.4 percent over time. Their measure of bias for 1980 shows that small States were favored at a rate of 7 percent.³

Their conclusions contradict a study conducted by the National Academy of Sciences in 1929, that concluded that equal proportions "occupies mathematically a neutral position with respect to emphasis on larger or smaller States."⁴

³ Described in a meeting with Congressional Staff by H.P. Young held at the Library of Congress January 9, 1981.

⁴ U.S. Congress. Committee on Post Office and Civil Service. Subcommittee on Census and Statistics. The Decennial Population Census and Congressional Apportionment. Appendix C. Report of the National Academy of Sciences Committee on Apportionment. Report No. 91-1314. 91st Cong., 1st Sess., July 20, 1970. Washington, U.S. Govt. Print. Off., 1970. p. 21.

A comparison between assignments of seats by the method of equal proportions and the method of Hamilton-Vinton for the years 1960, 1970, and 1980, shows that States receiving seats under Hamilton-Vinton apportionments are larger than the States receiving seats under apportionments using the method of equal proportions.

TABLE 1.—COMPARISON OF ASSIGNMENTS OF SEATS TO STATES USING APPORTIONMENT METHODS OF EQUAL PROPORTIONS AND HAMILTON-VINTON 1960-1981¹

State	Assignment by method of—		State "quota" of Representatives
	Equal proportions	Hamilton-Vinton	
1960:			
Illinois.....	24	25	24.559
Pennsylvania.....	27	28	27.576
Hawaii.....	2	1	1.542
New Hampshire.....	2	1	1.470
1970:			
Connecticut.....	6	7	6.51
Oregon.....	4	5	4.501
Montana.....	2	1	1.496
South Dakota.....	2	1	1.44
1980:			
California.....	45	46	45.584
Indiana.....	10	11	10.574
Montana.....	2	1	1.516
New Mexico.....	3	2	2.504

¹ The table shows only the States where there was a difference in assignment between the two formulas. A prospective analysis, based on population projections prepared by the Census Bureau in 1978, shows that Michigan with a quota of 17.62 would lose a seat to Nevada with a quota of 1.44 in 1990, and Ohio with a quota of 18.54 would lose a seat to Arkansas with a quota of 4.51 in 2000. These Census Bureau projections, illustrate Projections of State Populations by Age, Race, and Sex: 1975 to 2000, Current Population Reports Series P-25. No. 796, series II-c, should be considered illustrative not "actual." Similar Census projections have proven inaccurate in the past.

AS MUCH AS ANY OTHER IMPERFECT APPORTIONMENT METHOD, THE METHOD OF HAMILTON AND VINTON MEETS THE SUPREME COURT GOAL OF ONE PERSON, ONE VOTE

Since the "reapportionment revolution" of the 1960's congressional districts have been nearly equal in population within States. If congressional district boundaries could cross State lines, there would be no apportionment problem. All districts would be approximately equal (519,234 persons in 1981). Since this solution is not possible under the Constitution, any apportionment method will result in unequal district populations among the States.

Recognizing the practical impossibility of equalizing districts among the States, which method best meets the "spirit" of one person, one vote?

Proponents of equal proportions argue that "proportional differences" in the average district sizes among the States should be the primary criteria for judgment.

It is argued that a smaller State is "hurt" much more by taking a seat and giving it to a larger State than the other way around. A greater proportion of that State's population will be underrepresented in the House than if the larger State loses a seat to the smaller one.

The method of Hamilton-Vinton compares the absolute number of people who are "misrepresented" rather than the proportion of a State's population "misrepresented." For example, in 1981, the total number of persons who would be "underrepresented" or "remainders" if the whole number is assigned and the fractions are rejected is

This study was conducted before modern computing machines were invented. The National Academy Committee apparently was unable to test its conclusions about "neutrality" of equal proportions apportionments.

¹ Balinski, M. L. and H. P. Young. When House Seats Shift, Fractions Count. Washington Post, November 30, 1980. p. D5. Balinski and Young have also published articles in mathematical and political journals advocating a change in the apportionment formula.

² The method of equal proportions assigns seats in the House by the following comparison: "State A deserves an additional representative when its population divided by the geometric mean of its present assignment of representatives and of its next higher assignment, is greater than the population of any other State divided by the geometric mean of the assignment to such other State and its next higher assignment." Lawrence F. Schmeckler. Congressional Apportionment. Washington, The Brookings Institution, 1941. p. 5.

shown in Table II for California, Indiana, Montana, and New Mexico.

TABLE II.—NUMBER OF PERSONS "UNDERREPRESENTED" OR "REMAINDERS" RESULTING FROM REJECTING THE "FRACTIONS" OF QUOTA AND ASSIGNING THE LOWER WHOLE NUMBER OF REPRESENTATIVES IN 1981

State	Quota	Persons included in the "fractions" or "remainders" if the fractions are rejected in the apportionment
California	45.584	If 45 seats are assigned 303,233 are in the "remainder."
Indiana	10.574	If 10 seats are assigned 298,040 are in the "remainder."
Montana	1.516	If 1 seat is assigned 267,925 are in the "remainder."
New Mexico	2.504	If 2 seats are assigned 261,694 are in the "remainder."

The absolute number of people who are underrepresented is reduced if the larger fractions are rounded up and the smaller fractions are rounded down.

As described above, rounding Montana's and New Mexico's fractions up and California and Indiana's down means a smaller proportion of those State's populations will be underrepresented than the reversal.

Members of Congress represent people, not proportions of State populations. The method of Hamilton-Vinton comes closer to the ideal of "one person, one vote," than equal proportions.⁵

THE METHOD OF HAMILTON AND VINTON BETTER MEETS THE NEEDS OF CONGRESS THAN ANY OF ITS MODERN COMPETITORS

The fundamental argument against the Hamilton-Vinton method of apportionment is that it is subject to the "Alabama" and "population" paradoxes.

The Alabama paradox was discovered in 1880 when Alabama lost a seat when the House was increased in size from 299 to 300. This paradox, in which a State may lose representation for no other reason than the House size is increased, is not an issue in 1980. The size of the House is not increasing.

In fact, the House size has remained fixed at 435 since 1911 (except for the years 1959 to 1962 when the House was temporarily increased in size to 437 to accommodate the admission of Alaska and Hawaii). As long as the House size remains fixed, there will be no Alabama paradox.

The "population paradox" has been variously described, but in its modern form (with a fixed size house) it works in this way: It is theoretically possible that if two States are gaining population from one census to the next, State "A" which is gaining population at a rate faster than State "B" may lose a seat to State "B." This paradox happens very rarely in actual apportionments, but data can be "cooked" by statisticians to demonstrate it.

The major apportionment formula alternatives to Hamilton-Vinton, equal proportions, major fractions, and harmonic mean, were developed to eliminate the possibility of the Alabama paradox. They also are not subject to the population paradox.

Each of the methods other than Hamilton-Vinton have flaws. Equal proportions and harmonic mean are unnecessarily difficult to understand. Equal proportions is biased toward small States. Harmonic mean

⁵ Another method, the method of harmonic mean, equalizes the average size of congressional districts among the States. In 1981, there would be no difference in the apportionment between equal proportions and harmonic mean.

and major fractions are biased toward small States, but to a lesser degree than equal proportions. All these "modern" methods violate "quota" more often than Hamilton-Vinton.

The major fairness argument against Hamilton-Vinton, the Alabama paradox, will never be an issue so long as the House size remains fixed. The population paradox will occur very rarely, and may never happen. The virtues of easy understandability, honoring quota, unbiased impact on groups of States, and meeting the goal of "one person, one vote," are compelling fairness arguments for changing the apportionment formula from equal proportions to the method Hamilton and Vinton.●

DAN ROSTENKOWSKI

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MOAKLEY. Mr. Speaker, this morning's New York Times has an excellent article on DAN ROSTENKOWSKI's contributions to the tax legislation which I want to share with my colleagues. DANNY has been working feverishly to put together a tax package that can pass the House and which will bolster the economy. Those of us who feel that the Kemp-Roth plan will lead us down the road to ruin are waiting for an alternative which we can support. DANNY is one of the most skillful negotiators in this body and I am confident that the tax plan which is reported out of his committee will be the best package offered to us. As he says, "I never start a fight that I don't fight to win."

The article follows:

ROSTENKOWSKI: TAX PRAGMATIST

(By Hedrick Smith)

WASHINGTON.—Representative Dan Rostenkowski is a big, broad-shouldered, gregarious politician from the school of Chicago's late Mayor Richard J. Daley. In his youth, he had a chance to play big league baseball but chose politics instead. Like most athletes and politicians, he is often fired by the will to win, but never more than now.

With the special pride of a new chairman of the House Ways and Means Committee who has long had an eye on becoming Speaker of the House of Representatives and with Democrats still smarting from the humbling defeat they suffered on the 1982 budget, Mr. Rostenkowski has turned every effort to finding a formula for victory on tax legislation.

Characteristically direct, he told the Democrats on the Ways and Means Committee yesterday, "I never start a fight that I don't fight to win." Shrewdly, he has taken his time gauging friends and foes before putting his personal stake today on a composite two-year tax bill.

For weeks he has cast himself as the man in the middle on tax legislation, tugged one way by President Reagan and conservative Democrats, tugged the other way by his good friend, House Speaker Thomas P. O'Neill Jr. and the liberal Democrats. When Mr. O'Neill complained on Monday that the three-year, 25 percent individual income tax

cut discussed by President Reagan was "a lemon" and "a windfall for the rich," Mr. Rostenkowski kept open the door to compromise with the Administration.

For his political predicament personifies the dilemma of the House Democrats today. How could he strike a deal with a popular conservative Republican President without going too far in giving up Democratic principles and the traditional Democratic constituency or, if no deal could be made, how could he fashion an alternative attractive enough to prevent such major defections to the President that the Democrats would look like a shattered party in their last major stronghold, the House of Representatives?

From the outset, the political arithmetic has been difficult for Mr. Rostenkowski and the House Democratic leadership. For more than two weeks, knowledgeable Democrats have said that if President Reagan could hold the 190 House Republicans in line for his original proposal for a 30 percent, three-year-cut—or for a 25 percent fallback plan put forward by conservative Democrats, the President could pick up 30 Democratic votes enough to win a tax vote.

"Danny's problem," said another senior House Democrat, "has been—do you want to join a winning combination with the President or is the price the Administration is asked too high and you'd rather offer a Democratic alternative that you probably don't have the votes to pass."

Some liberal Democrats like Mr. O'Neill, Representative Richard Bolling of Missouri, House Rules Committee chairman, and Representative Thomas J. Downey of Long Island, urged a Democratic alternative that drew a sharp distinction with President Reagan by sticking to a one-year tax cut aimed at stimulating business investment and tilted to favor low-to-middle-income brackets.

OPPOSED DEMOCRATIC ALAMO

But Mr. Rostenkowski's aides said he was opposed to staging "a Democratic Alamo" and suffering another shattering defeat. He preferred to mold a consensus package to lure back some of the conservative Democrats being so ardently wooed by the White House. As a veteran of 11 terms in the House, he met early yesterday with 11 members of the conservative Democratic faction before going to work with his committee and the whole House Democratic caucus today for a two-year bill.

"He wants a bill he can take from the committee and take to the floor and win," said one Rostenkowski aide.

"He's met the White House exactly halfway," commented Jim Wright of Texas, the House Majority leader. "Not a one-year bill or a three-year bill, but a two-year bill. The 15 percent rate cut he's announced is half of what the President originally wanted," he said, and it will save \$60 or \$70 billion in budget deficits by leaving off the three-year tax cut."

To some Democrats like Richard A. Gephardt of Missouri and James R. Jones of Oklahoma, the Democratic tax package helps Democrats advance a fresh political argument on economic policy, namely that they are no longer the party of big spending but the party of fiscal prudence intent on reducing Federal deficits, while Mr. Reagan's economic policies threaten big inflationary deficits.

Although Mr. Rostenkowski has occasionally touched on such themes, he seems to think more in terms of forging a winning

consensus with pragmatic appeals to all segments of the faction-splintered 242 House Democrats. "This is a pretty pragmatic piece of legislation," said a Rostenkowski aide. "There's less tax philosophy to it than political realism."

Winning and losing, or at least making a strong showing, has personal as well as party implications for Mr. Rostenkowski. Although he shies away from any discussion of long-term ambitions to become Speaker, other Democrats say privately that his handling of this tax bill is being watched by others and will undoubtedly have a bearing on any hopes for leadership positions.

Had he not had a tiff with former Speaker Carl B. Albert, at the Democratic convention in 1968, Mr. Rostenkowski might be Speaker today. Last December, he passed up a chance to become House whip, and put himself on the ladder to the Speaker's post, to take his current job as Ways and Means Committee chairman.

According to friends, he did that primarily at the urging of Mr. O'Neill and Mr. Wright. "He and Tip are two of a kind—experienced, Catholic, ethnic politicians from big cities," said an aide to Mr. O'Neill. "They play golf together. They vacation together with their wives. They're good friends."

REAGAN'S STYLE PRAISED

Ideologically, Mr. Rostenkowski is more conservative than Mr. O'Neill, an old-fashioned New Deal liberal. He has a reputation for liking and getting along with political adversaries like Barber B. Conable Jr., the upstate New York Republican, or Treasury Secretary Donald T. Regan. Publicly, he has praised President Reagan's style in the White House.

Pragmatism, realism and consensus are hallmarks of the 53-year-old Chicago veteran. A Democrat who has watched him closely calls him "an old wolf among the French poodles," meaning that he practices the give-and-take reward and punishment style of traditional big-city machine politics among the newer breed of young, independent and publicity minded suburban Democrats.

"Rosty's a behind-the-scenes guy," observed Representative Morris K. Udall, the Arizona liberal. "He's practical. He's not flashy publicly, but he'll work hard to find a way through the thicket. You don't see him on TV shows or making speeches. He's a worker."

"He's a very tactile politician," said another. "He moves in close, uses his hands—to gesture, to put a hand on a shoulder. He makes it very personal."

Others, across the spectrum, praise his patience in drawing them into consensus. "He gets everyone involved—in shirtsleeves," observed Mr. Gephardt. "He makes it very collegial. He's strong on saying, let's talk it out. Let's communicate and let's not have any surprises," he added. "He's very strong on keeping your word."

FALLACIES OF THE SUPPLY-SIDE SOLUTION

HON. MICHAEL D. BARNES

OF MARYLAND
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BARNES. Mr. Speaker, President Reagan's tax proposals have started a national debate on what kind of tax cuts and savings incentives the

country really needs. We need to work to insure public understanding of the choices which confront Congress and the administration, so that decisions can be made with public support that goes beyond simply requests to "support the President all the way."

One of my constituents, Dr. Roy Lindgren, of Rockville, Md., has made a constructive effort to contribute to debate on the tax cut issue. He has analyzed some of the arguments behind the drive for massive across-the-board tax cuts and pointed out quite clearly what the fallacies are.

I submit his excellent analysis, "Supply-Side Solution," for the information of my colleagues as we begin the difficult task of finding some intelligent consensus on tax legislation this year.

SUPPLY-SIDE SOLUTION

The supply siders don't seem to have turned many people into believers during the first round of discussions. Admittedly, the theory that upper and middle income taxpayers will channel their proposed tax savings into the kinds of investments which will create jobs and produce goods and services does seem to fly in the face of logic and reality.

For starters, most wealthy taxpayers have their incomes well shielded in the myriad of tax shelters established by a benevolent Congress over the years. I once suggested to a wealthy friend that he donate some land to carry out a worthy project since he could then take the donation as a tax deduction. He patiently explained to me that this would not be something he could really consider doing because he paid no income taxes at all. Just suppose, however, that this "taxpayer" did decide to invest his tax cut money in something other than some more tax shelters. When the prime rate was rising he would probably be into money market. When the prime topped out he would shift to T bill futures. Et cetera. It is possible, then, that he might pay more income taxes after the tax rate is cut but let's not automatically assume that his investments would be the kinds that create jobs or produce more goods.

It's all academic, in any event, because there aren't enough wealthy people in the country to prime the economy pump even if they were all inclined to pitch in and help. Our only hope is to somehow induce middle income taxpayers by the tens of millions to provide the billions in capital needed to put the economy into high gear and keep it there. But, again, a tax cut by itself will not make it happen. For example, take someone earning \$40,000 a year and in the 37% tax bracket. Paid about \$7800 in Federal income taxes last year. Gets a tax cut of \$780 a year—fifteen dollars a week if this taxpayer is on a payroll deduction plan. Hardly enough to rush out and buy a new car and help put a laid-off autoworker back on the job. The only way this trickle of money from an individual taxpayer can ever help the economy is if it goes into a savings account where it can be pooled with the savings of others and then loaned to people who want to buy houses or cars and to entrepreneurs who create jobs and produce goods and services. And what are the chances of this happening? We already know the answer. Americans are just not oriented toward saving anymore. Why

would it be otherwise when Congress has (1) hiked the inflation rate by decades of fiscal tomfoolery, (2) held down the interest rates on pass-book savings accounts, and then (3) taxed that interest as income. As a result of all this, the old faithful savings accounts of the 40's and 50's have become the "losing accounts" of the 70's and 80's. You deposit \$1000 in a pass-book account for a year, collect the interest, pay taxes on the interest, and at the end of the year what you have left is worth maybe \$930. Talk about inflation being caused by too many dollars chasing too few goods; if you are going to lose money by "saving" it, what else is there to do with your money except to go out and buy something—anything. This is not a form of inflation psychology as some economists would have you believe. It is simple, straightforward logic. Turn the situation around so it makes more sense to save than to spend and people will follow that logic.

The one tax change which would restore real incentives to our system and make supply side economics work would be to scrap the present counterproductive income tax laws and go to a simple gross income tax. Since this will be a long time coming, our best hope is to get from Congress right now a massive spending cut package, an accelerated depreciation package, and tax changes which will transform "losing accounts" back into savings accounts. Specifically, we need to eliminate all taxes on the first \$2,000 in interest paid on pass-book savings accounts (\$4,000 for married couples). Then, and only then, should any other tax cut even be considered.

We need to reestablish in this country a way to save that makes sense to the masses of people for whom certificates of deposit are either impractical or impossible. If we can get people by the tens of millions to start lining up at pass-book savings windows again, the results will be electrifying. Nothing could do more to stimulate the lagging auto and housing industries, which are stimulants, in turn, to so many other elements of the economy. Let's give it a try. We have nothing to lose but our stagnation. ●

RESOLUTIONS OF THE AF ABN CONGRESS

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GREEN. Mr. Speaker, I would like to submit for the RECORD the resolutions of the Congress of the American Friends of Anti-Bolshevik Bloc of Nations, Inc. (AF ABN).

The Congress was held at the Roosevelt Hotel in my district in New York City on May 2 and 3, 1981; 156 delegates from 23 national groups representing nations currently under Soviet domination participated. I was happy to attend a portion of this event last month, and hope my colleagues will find the AF ABN's thoughts on foreign policy objectives to be of interest.

AF ABN CONGRESS RESOLUTIONS

Whereas the Soviet Russian imperialism and colonialism—following in the footsteps and even exceeding tsarist Russia in brutality and ruthlessness—has subjugated a

whole range of countries—in Europe, Asia, Africa, and even in Latin America—and most recently—after Angola, Ethiopia, Southern Yemen, Mozambique, Vietnam, Cambodia, Laos—has invaded Afghanistan, thus demonstrating once again that it unchangeably strives for world domination:

Whereas the policy of co-existence, detente, and the NATO's efforts of keeping the balance of power in the world, have in fact been detrimental to the military balance and beneficial to the Bolshevik Russian empire and her further conquests in the Free World;

Whereas the continuation of detente policy would soon lead to the conquest of the oil-producing countries of the Near and Middle East and to the seizure of natural resources of Africa, thus denying them to the West and to the Far East, and thereby forcing the Free World to capitulate to the Bolshevik aggressors:

Whereas the military superiority in various aspects of the Communist Russian empire over NATO and the Free World seems to have been achieved, thus creating a real threat of thermonuclear annihilation;

Whereas the Communist Russian aggressors, taking advantage of this superiority, of new conquests, and the present geopolitical and strategic situation disadvantageous to the West, are brutally trying to destroy by Stalinist methods, the national liberation movements of the nations subjugated within the USSR, by mass arrests of patriots and human rights activists sentencing them to long and harsh terms of imprisonment in jails, concentration camps, psychiatric wards, and banishment to the Arctic regions, by pursuing a cruel policy of all-pervasive Russification, subversion, uprooting and destruction of national cultures of the subjugated nations, resorting also to murders of national liberation fighters and religious leaders;

Whereas the Russian Communist economic system after 60 years of harsh experimentation has proven to be a complete failure and produced man-made famine and starvation of the masses in the enslaved nations.

The Conference of the AF ABN resolves:

1. to appeal to the Governments of the USA and NATO member countries to end the unrealistic policy of detente and balance of power which has brought disastrous results for the interests of the West and the entire Free World, and instead to initiate a policy of liberation of the nations subjugated by Russian imperialism and Communism.

AF ABN expresses its firm conviction that the US Government under President Ronald Reagan will recognize the importance of the national liberation struggle of the nations subjugated by Russian imperialism and Communism for the survival of America and the Free World and will make every effort to implement the US Congress (86-90) Captive Nations Resolution of 1959, signed by President Eisenhower, and consequently will support the national liberation fight of Ukraine, Byelorussia, Lithuania, Latvia, Estonia, Georgia, Turkestan, Czechia, Slovakia, Albania, Armenia, Azerbaijan, North Caucasus, Idel-Ural, Rumania, Hungary, Bulgaria, Croatia, Poland, Vietnam, Cambodia, Laos, Cuba and other nations subjugated by Russian imperialism and Communism for their national independence and human rights.

2. to appeal to the US Government to render every possible assistance to the heroic people of Afghanistan in their war of liberation against Moscow's aggression so as to bring about the expulsion of Russian oc-

cupation troops from Afghanistan, thus strengthening the national liberation struggle not only of the Islamic nations incarcerated in the USSR but also of all the nations subjugated by Bolshevism within the Soviet Union and in the so-called satellite countries who yearn for the downfall of the atheist Bolshevik empire and its dissolution into national independent democratic sovereign states, within their ethnographic boundaries.

3. AF ABN appeals for support to the forcefully divided nations, such as Germany and Korea, in their efforts at reunification in freedom and justice.

4. AF ABN supports the rightful demands of Japan to its territories seized by Russian imperialists in the aftermath of World War II.

5. AF ABN forcefully voices the opinion that the Helsinki Accords of 1975, being the only act passed after World War II recognizing the status quo of the Russian conquests, the integrity of the Russian empire and the inviolability of its frontiers, barring any intervention of the Free World on behalf of the nations subjugated by Russia, should be declared null and void, the more so as even the human rights provisions have not been honored by Moscow.

6. AF ABN commemorates the sad 40th anniversary of deportations of thousands of innocent people from the Baltic States and other territories occupied by Russia as a consequence of the Infamous Nazi-Soviet Pact.

7. AF ABN condemns the new Soviet Constitution which, under the terminology of a "sovereign Soviet people" posits the Russian nation as a super nation, where Russians are the masters who collectively support the chauvinist policies of unlimited Russian supremacy and pull down the subjugated nations to the level of slaves. AF ABN notes that the Soviet Constitution includes as a constitutional obligation, aggressive wars of the Russian empire under the mask of "an active all-round support of national liberation revolutionary movements and social revolutions" in the name of "proletarian internationalism."

8. AF ABN commemorates the 25th anniversary of the Hungarian Revolution and simultaneously condemns the bloody Russian suppression of the struggle for national independence of the Hungarian nation.

9. AF ABN condemns forced Russification and other forms of national oppression, which in effect amount to the destruction of the languages, cultures and traditions and finally to the genocide and annihilation of entire nations subjugated by Russia, carried out by the intermixing and resettling of national groups on a vast scale, forcible deportation of millions of people from their native countries, colonization by Russians of the territories of the enslaved nations; Russification is a crime against the universal culture of mankind, its barbarization because it is aimed at the destruction of the rich mosaic of national cultures which guarantees the progress and development of world culture.

10. AF ABN calls on the US government to demand the implementation of the UN resolution on decolonization, in view of the fact that the last remaining empire, the Russian empire under the form of the USSR, continue to maintain its imperio-colonial system trampling over the Resolution "on the granting of independence" to the nations subjugated by it.

11. AF ABN calls upon the US Government and all free nations to develop a wide

psychological and political campaign in favor of the freedom and independence aspirations of the Captive Nations against Russian Bolshevik imperialism and Communist tyranny, to stop all economic and technical aid to the Communist states, and instead to support national liberation movements of the subjugated nations, potential allies of the West, who are trying to break up the Russian empire from within, thus presenting a possible alternative to the nuclear war.

12. The AF ABN appeals to the US Government and the Free World public opinion to exert a constant and concerted pressure on the Communist regimes for the liquidation of concentration camps and psychiatric prisons, for the release of national, political and religious prisoners of the subjugated nations and, in particular, for the discontinuance of the Communist Russian practice of murdering political, cultural and religious activists and particularly fighters for national and human rights. Among others, an action for the release of the Ukrainian patriot Yuriy Shukhevych, son of the late Commander-in-Chief of the Ukrainian Insurgent Army (UPA)—General Roman Shukhevych, and Victoras Petkus of Lithuania—is strongly urged.

13. AF ABN condemns Moscow's intrigues in Latin America, its attempts by the hands of its Cuban and other puppets to subvert this continent and expresses its support to the US Government policy in defense of the friendly government in El Salvador which is under a vicious attack of Marxist-Leninist bands supported by Moscow and its Cuban underlings.

14. AF ABN notes with satisfaction the present US Government's firm resolve to counter the unrelenting arms build-up and the spread of the military threat of Communist Moscow throughout the world by strengthening the military might of the USA and of the Western Alliance and by extending moral and material support to the non-Communist governments friendly to the West.

15. AF ABN expresses its support to the US Government's efforts to combat terrorist activities frequently encouraged, assisted and abetted by Moscow or its client States.

16. AF ABN greets the Ukrainian nation on its 40th anniversary of the proclamation of the re-establishment of Ukrainian sovereignty on June 30, 1941, which presented a challenge to the two biggest military powers of that time—Nazi Germany and Bolshevik Russia, thus initiating a prolonged two-front war of liberation against both imperialist totalitarian invaders, and also greets the Ukrainian national liberation movement with the Organization of Ukrainian Nationalists (OUN) at the head, which was the initiator and organizer of Ukraine's fight against Nazism and Bolshevism. With profound respect we greet Hon. Yaroslav Stetsko, the Prime Minister of Ukraine of 1941.

17. Considering the very tense situation in Poland which draws much attention of the international public, the AF ABN expresses its solidarity with the Polish people's aspirations for freedom and democracy.

18. AF ABN condemns the totalitarian regime in Rumania as Moscow's stooges who do not represent the striving for freedom and national independence of the Rumanian people.

19. AF ABN demands that the problem of Russian Communist colonialism be officially made a concern of the United Nations as were the problems of colonialism of the Western powers, and that the liberation or-

ganizations of the nations enslaved by Moscow be granted similar status as is enjoyed by the PLO.

20. Commemorating the 70th anniversary of the founding of the Republic of China as the first republic in Asia, we underline the urgent need for the new defense weapons system for the Republic of China in order to secure the safety of the Western Pacific. We should like to mention that the US Government is obliged to supply a new weapons system to the Republic of China in accordance with the Taiwan Relations Act passed by the US Congress.

21. AF ABN welcomes President Reagan's view that human rights belong on the agenda every time America negotiates and hopes that the Administration will fully support the cause of the nations under Communist oppression for human rights and national independence. In this context, the AF ABN is encouraged by the appointment of Secretary of State Gen. Alexander Haig and Assistant Secretary of State Dr. Ernest Lefever for Human Rights and Humanitarian Affairs.

22. AF ABN appeals to the American information media—the press, radio and television—not to ignore the struggle of the nations enslaved by Russian Bolshevik imperialism for their national and human rights, for freedom and independence. Also, it urges the mass media not to ignore the holocaust of oppressed nations for tens of millions have been murdered in Gulag Archipelago or starved to death through man-made famines, but continuously and conscientiously to inform and educate the public about these problems, considering also the fact that many millions of US citizens have close ties with countries of origin presently behind the Iron Curtain.●

**ST. FRANCIS COMMUNITY
HEALTH CENTER**

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. GUARINI. Mr. Speaker, for anyone born in Jersey City, N.J., as I was, it is impossible to talk of health care and healing without thinking immediately of St. Francis Community Health Center. For more than a century this friendly, efficient hospital has touched the lives of the entire Jersey City community.

St. Francis Community Health Center of Jersey City will be dedicating a magnificent new wing to its medical care complex on Sunday, June 7, 1981. This is a very significant event in our community. Historically, because this modern 10-story structure will stand on the sight of the original hospital which began its full-time service to the community in 1889. Socially, it is important because this new wing continues the tradition of compassionate public service and dedicated health care that has become synonymous with the Franciscan Sisters of the Poor who began their service to our city in 1864 and who will be honored by having the new wing known as the Franciscan Pavilion.

Mr. Speaker, the dedicatory ceremonies for the Franciscan Pavilion will not only be a moment to honor the physical structure of this building—the glass and concrete and steel—but it will also be an opportunity to join in rejoicing with the people whose spirit and selflessness epitomize the community leadership this medical facility so admirably represents. Among the honored guests and dignitaries will be Bishop Jerome A. Pachillo, who will deliver the dedicatory address; Thomas A. Schember, president of the St. Francis Community Health Center; Sister Rose Margaret Delaney, the past president of the community service board; James F. Boylan, chairman of the board of trustees; Frank Rienzo, M.D., president of the hospital medical staff; Sister Marilyn Fischer, president of the community service board; Hon. Paul Cuprowski, president of the city council who represents Jersey City Mayor Thomas F. X. Smith; and Kalman J. Fortoloczki, executive vice president of the St. Francis Community Health Center. The health center leadership have also extended to me the honor of participating in these ceremonies, an opportunity to which I look forward with the greatest of personal pleasure.

Mr. Speaker, for 117 years the Franciscan Sisters of the Poor and the St. Francis Community Health Center have meant hope and healing to the people of Jersey City. It has always been a place of deep emotion engraved in the memories of so many of us. It is a place where babies were born and loved ones have departed this life, a place where a young child in the emergency room received a warm smile along with a bandage and immediately began thinking of growing up to be a surgeon, a place where a whispered prayer in the chapel gave you the blessing of good news or the grace to accept bad news, a place where bodies were healed and spirits renewed.

Mr. Speaker, as it was in the past, so it is today.

St. Francis has always been a place of pride and progress. From its small beginning with 12 beds in a two-story frame house to its presence today as a modern five-building medical complex, St. Francis has always been vital to the neighborhood and to the overall economic growth of downtown Jersey City.

St. Francis was a cornerstone in the early development of our city. And 20 years ago when this area teetered on the brink of terminal urban blight, St. Francis—against all the odds—began construction of its new school of nursing and sparked the rebirth of the surrounding neighborhood. New housing soon followed—new industries moved in—and the downtown area is again on its way to becoming a great place to live and work and do business.

Mr. Speaker, the St. Francis Community Health Center is a good neighbor. This magnificent new wing has the very latest in equipment and services and yet it has been designed to blend beautifully into the historic district in which it stands thus preserving the character of the neighborhood.

St. Francis has been a good neighbor to the business community, too, bringing jobs into the area with a corresponding boost to local shopping and providing employee and executive health services to nearby business and industry.

In the future, with its modern facilities and progressive programs, St. Francis will undoubtedly continue to bring good health to the city and all its residents. The people of Jersey City admire and respect St. Francis—its sisters, trustees, administrators, doctors, nurses, and dedicated employees—and cherish all that they have meant to all of us over the years.

The dedication ceremonies for the new Franciscan pavilion of the St. Francis Community Medical Center will give all of Jersey City an opportunity to celebrate the continued vigor of a beloved part of our community, and an opportunity to say a public "thank you" for the years of faithful service.●

ENERGY CONSERVATION PAYS

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MILLER of California. Mr. Speaker, an article in the June 2, 1981, Washington Post has dramatically illustrated the present and future potential of energy conservation in the United States. For years, many of us in the Congress have argued that conservation is the fastest and least expensive way to reduce our consumption of foreign oil, and an important step in reducing the inflationary effect of oil prices on the economy. For years, we in the Congress have insisted that an investment in conservation would have a shorter payoff period than a traditional investment in large energy-generating facilities. Numerous studies from influential organizations have recommended conservation as an essential part of our national energy picture.

Despite our pleas for strong conservation action, most utilities across the Nation continued to insist that the demand for electricity was going to grow every year, and new nuclear or coal plants were the only way to meet that demand.

Now utilities are beginning to see the light, and are finding out that conservation can pay for them, and for their customers. A reduction in energy

use can prevent unnecessary costly investments in billion-dollar energy plants, and can slow down the growth in customers' energy bills. I am greatly encouraged by the aggressive actions of a few utilities in this area, particularly Pacific Gas & Electric Co., and hope that other utilities across the country will realize that a barrel of oil saved is as good, if not better, than a barrel of oil produced.

[From the Washington Post, June 2, 1981]
NEW POWER PLANTS POSTPONED OR CANCELED
A NEW ENERGY STRATEGY—CONSERVATION
(By Jay Mathews)

LOS ANGELES.—Sunset Ford's 13 acres of glistening automobiles used to gleam like a Hollywood movie premiere under arclights at midnight, a publicity and security device that helped make brightly lit car lots a symbol of Southern California.

In the last few months, however, Sunset Ford, with the encouragement of its local electric utility, has gone pitch dark at closing time. It has cut its use of electricity by 38 percent and installed radio-controlled switches on its showroom air conditioners, all symbolizing an unprecedented enthusiasm for conservation that is spreading to utilities and their customers all over the country.

Some West Coast utilities estimate that conservation has saved from 5 to 10 percent of their total electrical output. Others say they have been able to cancel or postpone plans to build new power plants because they were no longer considered essential—because of conservation.

West Coast utilities, hardest hit by oil price increases and new constraints on nuclear power, have been the quickest to embrace new ways of saving energy. Portland General Electric Co. in Oregon has insulated nearly 16,000 electrically heated homes in the last three years, charging the owners nothing until they eventually sell the houses.

Pacific Gas and Electric Co. in Northern California has arranged low interest insulation loans for more than 23,000 homes. Southern California Edison has adjusted pumps on 100,000 swimming pools to reduce their drain on the system during peak daylight hours, a crucial matter in the conservation movement.

Eastern utilities have also begun to experiment. The New England Electric system has produced a plan to reduce its use of foreign oil from 73 percent to 10 percent in 15 years. The company proposes to conserve energy through such measures as remote control, switch-offs on some consumers, burning trash to generate electricity and distributing 500,000 steel discs to cut hot water use in showers in half.

The Tennessee Valley Authority has eagerly offered no-interest loans for home insulation to its customers. The Dallas Power and Light Co. began last month to offer large electric bill credit to customers who replaced broken down air conditioners with more efficient models.

The New England system found the decline in demand so great it decided it could scrap plans to build a huge nuclear plant at Charlestown, R.I., where they had been stymied in acquiring land anyway.

Pacific Gas and Electric ceased attempts to reopen a small nuclear plant near Humboldt, Calif., when it saw how successful the conservation effort seemed to be. The company also delayed by five years plans for a

huge coal-fired plant in Solano County that would have provided enough energy to serve a city of 1.5 million people.

Although it is difficult to estimate how much conservation measures have saved nationwide, companies with the most aggressive programs put the amount at about 5 to 10 percent of their total output.

Pacific Gas and Electric Co. said it utilized the equivalent of 14.6 million barrels of oil in what would have been wasted energy in 1980, enough to provide 49,000 homes with electricity for 10 years.

Well-organized environmental groups on the West Coast have something to do with the surge here towards conservation, but several utility executives and economists say the principal motive is money. While America's consumers have been turning off lights and adjusting thermostats because of rising electric and fuel bills, utilities have seen the potential profits from building new power plants evaporate because of high interest rates and new environmental restriction.

Conserving power, in many areas, has become cheaper than building new plants.

"The utilities look at it as dollars and cents," said Paul Greiner, a vice president of the Edison Electric Institute which represents investor-owned electric utilities. "If they can see a pay-back in one or two years, they'll do it."

Higher prices to consumers, said University of Wisconsin's economist Charles Cicchetti, have caused per capita use of natural gas to decline in recent years and per capita use of electric power to hold steady.

But in many areas, particularly California and the Pacific Northwest, Cicchetti said, "the utility cost is more than the price they can charge under regulations, so they are losing money on marginal sales, and conservation makes a lot of sense."

Some utility executives say the change has influenced what kinds of people seek jobs with them. Few top engineering graduates interested in construction work seek out utilities, because utilities can no longer afford to build new power plants. But applications from college and university graduates with interest and some training in conservation planning have multiplied rapidly. "We got 500 applications for one position," said Jim Mitchell, a spokesman for Southern California Edison.

Contractors are also adjusting rapidly to the changes. Prices have gone up for insulation in the Palm Springs area, where Southern California Edison has begun to offer no-interest loans.

The Tennessee Valley Authority had to alter its rules for no-interest insulation loans after home builders began to sell customers new houses at a discount without insulation and suggest new owners seek a TVA loan to finish the job.

In the Washington area, utilities say they have not been hit by an energy crunch quite as hard as on the West Coast and have not found the potential savings from conservation great enough yet to justify expenses such as subsidized loans for insulation.

The Virginia Electric and Power Co., however, has already reduced its projected peak demand for 1987 by 3,600 megawatts—the equivalent of four large generating plants that would have cost \$7 billion.

Everard Munsey, a former Arlington County Board member now working for Vepco, said the company was encouraging conservation through higher rates in summertime, free inspections of homes to determine where insulation is necessary, guidance to builders on producing more energy-

efficient housing and a program to encourage some industrial customers to generate their own power through use of steam and combustible by-products that are now wasted.

The company is also experimenting with remote-control water heaters, which could be turned off briefly during peak demand daylight hours by a radio signal or a signal sent over the electric power line itself.

Marcia Schnedler, a spokesman for Potomac Electric Power Co., said the utility does not plan to build a new power plant for at least 10 years. Pepco also is experimenting with radio-controlled water heaters and air conditioners and has begun to charge its largest customers a premium for power used in peak hours.

Cutting demand at peak hours reduces the need to build new plants at high interest rates, a principal stimulus for many of the utilities' conservation efforts.

"We're not as innovative as the West Coast utilities," Schnedler said, "but we are in a different position than they are." Pepco grew rapidly in the 1950s and 1960s; the growth in customers has slowed now. The company also initiated several conservation measures during the 1974 oil crunch that appear to have reduced the necessity for more conservation now. ●

SUPPORT FOR THE PRESIDENT'S TAX CUTS

HON. TOM RAILSBACK

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. RAILSBACK. Mr. Speaker, while this country is currently focusing on the ongoing discussion between the administration and the members of the Ways and Means Committee regarding what kind of a tax cut Congress will offer the people of this country, I would like to take this opportunity to express my strong support for our President's tax cut proposal.

I have been convinced of the need for a substantial tax rate reduction to ease the tax burden on this Nation's people, and to reinvigorate the economy for a number of years now. Now a tax cut is needed more than ever, especially since it is a major component of the President's program for economic recovery.

Federal personal taxes on each family have nearly quadrupled over the past 15 years—growing from \$1,500 for an average family in 1965 to \$5,500 in 1980. This increase has been the result of the interaction of high inflation with our present tax system, which pushes individuals into higher and higher marginal tax rates.

The time has come for Congress to act to substantially reduce these tax burdens, and to try something different in our fight against inflation. I have heard from thousands of concerned constituents who support the President's program, and while they are pleased with Congress action on

the budget, they are stressing the need to also enact his tax reduction proposals.

Mr. Speaker, I commend the President for his efforts to bring down inflation and to revitalize the economy, and I urge the majority Members of the House to give his proposals a chance, and to join me in supporting his tax cut proposals.●

SUPPORT PUBLIC BROADCASTING

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MARKEY. Mr. Speaker, shortly the House will vote on the public broadcasting authorization for fiscal years 1984 through 1986. I strongly feel that public broadcasting is one of America's most important and unduplicated cultural resources. I urge my colleagues to share in my commitment to public broadcasting by supporting H.R. 3238, offered by Mr. Wirth, when it reaches the floor. The following editorial which appeared in the Boston Globe on Sunday, May 31, articulately and convincingly explains why public broadcasting must be supported:

[From the Boston Globe, May 31, 1981]

PUBLIC TV'S PROMISE: I

Public television has been in a state of crisis since its inception as educational television 30 years ago. It has never had enough money. It has never had enough support. It has never had enough political clout. For years critics have damned it as an elitist institution that spends tax dollars frivolously on programming that fails its public.

Now prophets and doomsayers are predicting the beginning of the end. They maintain that public television can't survive the accountants in Ronald Reagan's Washington or the new technology—cable, cassettes and videodiscs—on the horizon.

The truth is public television is good at what it does. It is no more elitist than the public library. It has evolved and grown over the years, but it is hardly a medium still in search of its mission. For all its failings, for all its weaknesses, it comes close to E. B. White's prescription. "TV should be providing the visual counterpart of the literary essay, should arouse our dreams, satisfy our hunger for beauty, take us on journeys, enable us to participate in events, present great drama and music, explore the sea and the sky and the woods and the hills," White wrote in 1966. "It should be our Lyceum, our Chautauqua, our Minsky's and our Camelot. It should restate and clarify the social dilemma and the political pickle."

Commercial television, with its emphasis on ratings and lowest common denominator programming, occasionally fulfills its public responsibility, but more often falls with a nightly menu of the lascivious and the inane. In E. B. White's dispensation, commercial television presents a rare moment of Lyceum-like distinction amid hours upon hours of jiggling from Minsky's, with or without machinegun fire.

Public television has aroused our dreams. It has carried viewers to ancient Rome,

showed them life behind the Iron Curtain, presented a stunning dramatization of "Pride and Prejudice," to name a few examples. It introduced some to the mores of Edwardian England, reintroduced others to Fred Astaire's genius and enabled all to bear witness to worlds of Jacques Cousteau, Pablo Picasso and that brave young man who suffered the tragic effects of thalidomide poisoning.

Public television informs, entertains and enlightens. In keeping with its original name, it also educates. And irritates. It can be inefficient, uneven, stubborn, whimsical but it basically serves the country the same way public libraries do—by making its resources available to all Americans.

This week Boston's Channel 2, one of 286 stations that are part of the larger system, is holding its annual auction in our livingrooms. This ritual gives its viewers a chance to imagine what television would be like in this city without the relief provided by WGBH. This week is an appropriate time to make a national commitment to public television. The country can not afford to let it fail anymore than it can afford to watch libraries, schools and parks squandered by those who believe the private sector is the only source of America's inspiration and its amenities.

Channel 2 began as a modest offering of the Lowell Institute along with the area's museums and universities. These institutions have been generous and imaginative, but they too must face the distractions brought about by inflation and the changing demographics of their clientele. That is why WGBH as a Boston cultural landmark and public television as an American institution faces a chancy future in an age of rigid *laissez-faire* politics.

The strongest economic case against public television has been made by those who argue that the private sector in the form of cable television will kill it. The wake began last winter after one of the cable systems purchased the rights to all BBC programming. BBC programming has been important, even critical, to PBS's ability to attract audiences. BBC offerings represented quality and saved production costs, but they made up only three to four percent of public television's programming schedule. They were available free to any viewer who tuned in.

Many doubt that cable can deliver diversity and quality as promised. Radio was praised as the technical innovation that would bring Mozart to the masses. Then television was the technical innovation that would enrich lives and lift civilization. Lawrence Lichty, a communications professor at the University of Maryland, and others believe that the new technology will be dragged down by its commercial nature in the same way radio and television have been.

"The new video media, for their part, will be subject to the very same market forces that shaped radio and television broadcasting," Lichty wrote in the winter edition of the *Wilson Quarterly*. "While the audience may have more choices, the proportion of quality programming appearing on the home screen will not be much different than it is now."

If that's the case, the future looks grim.

In January the Reagan Administration recommended in a transition team report that the federal government withdraw all financial support from public television: "There is no more basis for the federal government to play a leading role (in support-

ing public television) than there is for the government to play a similar role in the publication of novels or textbooks or in theatrical productions."

That declaration brought public broadcasting's public out to fight. Since then, the Administration modified its position and called for budget cuts instead. Congress held off its efforts to rescind funding already appropriated for public television under the forward funding scheme that was initiated in 1975 after Nixon Administration attempts to dictate program content. Still, drastic slashes are proposed for the future.

There can be no doubt that public television is truly public. Its audience is not a monolithic, affluent, college-educated group that can afford \$28 tickets for orchestra seats that many believe it to be. Voters in Rep. Brian Donnelly's nonelitist district in Dorchester, Brockton and Quincy opposed cutting public television's budget in a survey taken last winter. "Sesame Street" lives in every neighborhood.

According to a 1980 Nielsen report, more than 46 percent of all American households tune into public television once a week. Households with incomes of less than \$10,000 and homes headed by individuals with less than high school education have increased by almost third in the past five years, and minority viewers are represented in numbers that parallel their percentage of the population.

Without public television, these viewers and others might not have had the chance this past week to see an anguished documentary about a Vietnam veteran who believes his life was ruined by the war, a balanchine ballet, Nova's exploration of the sense of touch, the Philadelphia Symphony, McNeil-Lehrer's unraveling of the Italian political situation and what is without doubt the best children's programming available.

Public television can not survive without some economic security. During this year's nationally coordinated fundraising campaign in March, viewers pledged nearly \$27 million to participating stations, a 29 percent increase over 1980. Although viewer support is crucial, it can't make up the difference between what public television needs and what the government is currently willing to provide.

Right now PBS administrators, politicians, policy makers and regulators are investigating proposals that would streamline public television's structure and make it possible to raise revenues in new ways. They must succeed.

The 1979 Carnegie Commission declared that "public broadcasting tried to invent a truly radical idea, an instrument of mass communication that simultaneously respects the artistry of the individuals who create programs, the needs of the public that forms the audience and the forces of political power that supply the resources." That it has come close is an exceptional accomplishment that has served the country well.●

EXIMBANK CUTS ARE FALSE
ECONOMY

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BONKER. Mr. Speaker, as we wrestle with the choices that are the result of the administration's economic program, it is a good exercise to separate those parts of the program that will truly help the economy from those facets that are mere public relations.

I believe the cuts in the Eximbank fall into the latter category; if we are really concerned with economic recovery, we cannot ignore our export potential. As a country we are in an extremely competitive credit war with our foreign competitors who subsidize the export of goods, particularly the big ticket items. For us to slash Eximbank authority amounts to unilateral disarmament.

Mr. C. W. Borklund, the publisher of Government Executive magazine has an excellent commentary in the upcoming issue that separates some of the myths from the realities of Eximbank funding. I recommend it to the attention of my colleagues.

EXIMBANK: ADMINISTRATION ECHOES OF OLD
IGNORANCE

The distinct impression was left, at least in this corner, that when a majority of the voters booted Jimmy Carter and a batch of left-leaning "Liberals" out of Government, one result was supposed to be a new Administration that wanted to work with U.S. industry to grow the economy. Indeed, it said as much when it moved into the White House.

However, on one subject—funding for the Export-Import Bank—the new leadership has demonstrated, to date, that it is at least as anti-Business, anti-export expansion as the "Carter Kids" were. And, just as they did, bragging about its ignorance in the bargain.

The central theme on which the Reagan Administration has based its recommendations for cuts in EximBank funding (cuts averaging about \$1 billion per year over the next three years) is that the Bank "devotes too much of its direct-loan funds to assist just a few fat cats" of U.S. industry in making sales overseas. That thesis bleats out of the White House and is echoed by an array of alley cats on Capitol Hill.

Specifically named as the "fat cats" have been seven of the larger exporters for 1980, viz. Boeing Airplane Company, Westinghouse, McDonnell Douglas, Combustion Engineering, Lockheed, AT&T's Western Electric and General Electric. What is there in the mental makeup of these elected and appointed bureaucrats that inspires them seemingly always to want to penalize industrial, free-enterprise success and reward failures?

These Administration indictments of the "fat cats" are, in fact, simple minded. True, the seven named companies were leaders in export activity, that part of it which included EximBank loan and/or loan guarantee participation. True, also, that they signed their names to the contracts, assuming re-

EXTENSIONS OF REMARKS

sponsibility for making sure that what was bought by the overseas customer worked.

What is also true—and ignored by this Administration as it was by the last one—is that those seven companies are not just seven companies. When Boeing makes an airplane, for example, more than half the parts and components which go into that aircraft are bought by Boeing from a supplier/subcontractor network of 1,306 major and 2,247 small and minority business firms located in a total of 44 States.

Westinghouse used more than 1300 subcontractor-suppliers in furnishing components for a nuclear power project where it is prime contractor (and for all practical purposes, today it is the only U.S. contractor in that international market.) On a typical 500 megawatt, coal-fired boiler project, Combustion Engineering will use more than 3,000 subcontractor-suppliers.

Point is, while these large firms do make the commitment to a foreign buyer, about half the total sales really benefit not them but literally thousands of suppliers all over the country. Those, mostly small, firms would not be involved in exports at all if the "big boys" weren't willing to take the full risks, including pulling together the "big bucks" necessary to finance large capital-goods export items and/or projects.

Some other hard-nosed facts about the EximBank, per Bank Director Don Stengel: "The concentration of EximBank use by a relatively few large exporters is consistent with the U.S. exporters, themselves. Only about 100 firms, roughly 1.5 percent of all U.S. exporters, account for 50 percent of all U.S. manufactured exports and only 10 percent of all exporter firms account for 75 percent of such exports."

"EximBank is not (his emphasis) a taxpayer-supported subsidy. It has made a profit in every year of its 47-year existence—has disbursed some \$35 billion in direct loans during that time and written off only \$8.3 million (.02 percent) in loan losses."

"In the past two years, through EximBank, the United States has provided only about 47 percent average officially-supported cover in aircraft-sales cases and 65 percent cover in non-aircraft cases; loaned at 9.25 percent and 8.75 percent respectively for the two categories."

By contrast, "Other OECD (Organization of Economic Cooperation and Development) nations typically offer 85 percent cover on export financing after a 15 percent cash payment with interest rates of 7.75 percent to developing countries, 8.5 percent to intermediates and 8.75 percent to so-called 'rich' countries."

Why don't Vice President George Bush's and Budget Director Dave Stockman's "fat cats" finance the sales, themselves? First off, because none of them are in the banking business. Secondly, as a part of that, if Dave Stockman has learned to add and subtract by now, he knows you can't borrow money at 18 percent and then loan it out to a customer at 8 percent without pretty quickly going bankrupt. (The Federal Government has been doing this routinely for years—and that's why Reagan was elected.)

Indeed, thanks to the frontal attack on EximBank by present Administration leaders—all the while claiming "it is the policy of this Administration to encourage domestic economic growth and expand exports"—some \$1.069 billion in potential exports, 34 cases put on EximBank's credit docket just between mid-February and mid-May, are wiped out if the Administration's proposed

"cut" in EximBank's budget is approved by Congress.

For that matter, the possible sales, in some cases, are already in jeopardy because the customers are getting tired of waiting for an EximBank answer. The sales potential ranges from aircraft to locomotives to power plants to electronic switching systems to teleprinters, even to tugboats.

The new Administration proposed this EximBank "expenditure" cut in order to help "sell" its other cuts to Capitol Hill. It was a dumb choice to support the thesis of, "See, Big Business is getting cut, too." It was dumb for lots of reasons, not the least of which is that money put into EximBank is an investment, not a cost.

The Administration ought to do what it said it was going to do, i.e. concentrate on helping U.S. industry regain its share of the capital-goods export market. As long as other countries, notably Japan, Germany and France, continue to subsidize their exports with loans at extremely favorable interest rates, terms and cover—and even blend aid and financing—we must have a strong, well-funded, stable, reliable Export-Import Bank if we're to compete.

Repeatedly, over the years, Congress has mandated that EximBank "aid in financing and facilitating exports" and "foster expansion of exports—thereby contributing to the promotion and maintenance of high levels of employment . . . and to the increased development of the productive resources of the United States."

The present White House occupants have echoed those sentiments—then acted the opposite. The destruction of the EximBank is nothing more than a public relations program designed to impress political novices.●

NEW CHALLENGES TO THE FI-
NANCIAL INDUSTRY: COM-
MENTS OF ANTHONY M. SOLO-
MON, PRESIDENT, NEW YORK
FEDERAL RESERVE BANK

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FAUNTROY. Mr. Speaker, a few weeks ago, the president of the New York Federal Reserve Bank, Anthony M. Solomon, commented in a speech before the Investment Association of New York on the changes that are confronting the banking system and the difficulties that these changes portend for the central banking authority of the United States. I'd like to share those comments with my colleagues because I believe that they are among some of the most concise statements of the issues which are facing us in the economy today.

THE TIME HAS COME TO REEXAMINE GLASS-
STEAGALL

My experience as an observer and participant in the formulation and execution of public policy suggests to me that a policy issue passes through four identifiable stages during its life cycle. These stages are logically distinct, although they tend to overlap in practice.

In the first stage some set of forces in the real world acts to upset the status quo. In

economic and financial matters these forces usually originate in the market, although technological, social, and political forces often play a part. These forces build to such an extent that some market participants have an incentive to act in a way which disturbs the status quo. When enough market participants have incentives to act in this way the very viability of the status quo is called into question.

This inaugurates the debate stage in the life cycle of a policy issue, in which various parties study the issue, advance possible courses of action, and discuss their ramifications. Gradually, some degree of consensus on a desirable or acceptable course of action emerges, and the issue moves on to the third stage, that of decision.

In the decision stage some accepted source of authority, for example, the Congress or the financial regulation agencies, adopts new rules which reflect the course of action developed in the debate. Finally, the issue reaches the stage of implementation, in which a new status quo is developed, which will remain in place until a new set of market or other forces sets the cycle in motion again by requiring changes in the new status quo.

I believe that there is persuasive evidence that with regard to the Glass-Steagall policy issues of the structure of the American financial system we are now substantially into the first stage. The status quo appears to have been disturbed, and we are entering the stage of debate.

The Glass-Steagall Act, now almost fifty years old, sought to create institutional barriers between specific classes of activities in U.S. financial markets. The Glass-Steagall legislation addressed the allegation that the combination of investment and commercial banking within a single firm led to unsound banking practices and contributed to the financial collapse of the Great Depression. In particular, it was argued that a bank may be tempted to underwrite long-term securities of a firm and foist them on an unsuspecting public in order to take itself out of a short-term lending relationship with that firm. Hence, the prohibition on commercial bank underwriting or distribution of most securities. Correspondingly, no firm principally engaged in these activities was permitted to accept deposits. Moreover, the two types of business—commercial and investment banking—could not be combined under the family umbrella of affiliated companies. Indeed, some of the most notable financial houses of the era were forced to split off their commercial and investment banking wings.

The Glass-Steagall Act created a status quo which endured relatively intact until fairly recently. Investment and commercial banking in the United States, separated by Glass-Steagall restraints, developed distinct product lines and modes and traditions of conducting business.

Economic, financial, and technological pressures in recent years have begun to combine as a force for change of that familiar status quo. Examples of investment bankers' incursions into activities traditionally associated with commercial banking abound, as do examples of commercial banks' engaging in activities traditionally the province of investment banking firms. Of course, each merger or acquisition or new undertaking has its individual motivations, related to businessmen's calculations of profit potential, stock market conditions, current regulatory attitudes, and other factors. But the number of examples suggests

that they may also share some motivations in common.

Money market mutual funds are the most commented-upon examples of the erosion of traditional distinctions between commercial and investment banking. Money market funds originated largely because of the regulatory restraints on depository institutions, particularly the rate of interest they may pay on savings and transaction accounts, currently limited to 5½ percent, for example, on NOW accounts. Since short-term assets currently yield substantially higher rates, depository institutions could, in principle, pay higher rates to their depositors than regulations currently permit. And those institutions such as money market funds which are not subject to deposit interest rate ceilings do currently offer substantially higher rates.

Brokerage houses are having phenomenal success offering this financial product, which provides the household with a market rate of return and a high degree of liquidity. From the customer's point of view, many of the services of the money market fund are perfectly substitutable for the services provided by a demand deposit at a commercial bank. Apparently the freedom from reserve requirements and deposit interest rate limitations which permits the high yields more than compensates many customers for the absence of FDIC deposit insurance and some of the flexibility of the traditional checking account. Money market fund assets currently stand at over \$115 billion, up more than \$60 billion in one year, and over \$40 billion just since January. The largest money market fund, with \$17 billion in assets, would rank among the 15 largest banks in the country if it were a commercial bank.

Several other instruments are also being developed in the marketplace which, from the consumer's point of view, are similar to those traditionally available only at commercial banks but which yield market rates of return. Merrill Lynch, for example, offers a cash management account which permits the household to write checks against a marginable brokerage account. In addition to checking access, the account holder is issued a VISA card which draws on the liquid assets in the account or the borrowing power of the securities in the account.

Merrill Lynch provides a wide range of financial services to its customers, including brokerage and real estate services. Thus, the firm is in a position to contact customers from one of several markets and use that relationship to introduce them to a wide variety of other services. It can service its 2.5 million customers' accounts through a worldwide network of over 750 offices.

The proposed acquisition of Bache by Prudential will permit the cross-selling of Prudential's insurance services and Bache's brokerage services, including money market funds. Prudential currently provides insurance services to many millions of people.

The proposed acquisition of Shearson Loeb Rhoades by American Express would provide the same kind of opportunity to permit customers to obtain a wide range of financial services from a single source. Press reports on the proposed merger indicate that Shearson and American Express share this vision of what the market will demand. And the potential is remarkable, considering that American Express as a travel and consumer credit company already has a network of 1,000 offices in 26 countries and 11.9 million cardholders worldwide while Shearson has 275 offices in the United States and

18 abroad. Together they will be able to offer financial services which are not limited by product or geography, as commercial banks are, to millions of existing and potential new customers.

In a further incursion of financial firms into the commercial banking business, the Fidelity Group is seeking a trust company in Boston which would offer cash and investment management, computerized record-keeping and internal control systems. To satisfy the legal technicalities of Glass-Steagall, it would not offer checking services or take deposits unrelated to its trust business. Shearson has also announced its interest in a trust company in Massachusetts.

There are advantages to both the customer and the brokerage house in providing all financial services through a single firm. The broker is able to demonstrate how his entire array of financial services can be useful to his customers, thus selling services of which the customer would not have been aware had he dealt with a single product firm. The customer, in turn, can avail himself of all his options while incurring minimal costs of searching out new service providers and maintaining multiple relationships.

Commercial banks, of course, have also been seeking to expand their product lines. The Supreme Court has recently upheld the Federal Reserve Board's determination that serving as an investment advisor to a registered open-end investment company is a permissible activity for a bank holding company. Commercial banks began pushing into the private placement market in the early 1970's and have been seeking Congressional authorization to expand their municipal bond underwriting powers to include revenue bonds. VISA is investigating the possibility of establishing a money market mutual fund using its relationship with the holders of 64 million VISA cards in this country to reduce the cost of its selling job. The VISA card could potentially be used to access funds from a customer's account.

It is enlightening to view this as an effort by a commercial bank-related organization to offer non-deposit liabilities to the household sector. These instruments would not be subject to reserve requirements, deposit interest rate limitations, or FDIC deposit insurance—factors which have been closely linked to the definition of deposits for many years.

The pressures we are experiencing on the boundaries between commercial and investment banking have arisen out of the stresses caused by the change in market environment from that which supported the status quo created by Glass-Steagall.

The fact that high inflation, high nominal interest rates, and variability in both played havoc with the traditional regulatory structure in the 1970s is well known. Investors have come to perceive an incentive to act quickly upon their judgments that interest rates have reached temporary high or low points, and borrowers have learned to structure the type and maturity of their flotations to reflect market conditions. Consumers and businesses have learned that remaining liquid has strong advantages in this kind of market environment. As a result, there has been an increased demand for one-stop financial services on the part of both providers and users of funds to facilitate rapid switches in financial strategy.

In an environment in which there is a premium for proper timing, both households and firms are demanding integrated financial firms. This demand has the potential to

be satisfied because technology is now available to execute transactions nearly instantaneously. Improvements in computer and telecommunications technology have reduced the cost of supplying precisely the kind of flexibility customers are demanding.

The developments in the financial services sector and the forces which are impelling them have, I believe, profound implications for commercial banks, investment banking firms, and the regulatory authorities, including the Federal Reserve.

Inflation, inflation-consciousness, and technological changes have provided the impetus for the development of financial service conglomerates which appear to be meeting the market's test of efficiency in fulfilling household and business needs for a broad range of financial services. Experience and evidence indicate that households and businesses are not waiting for regulatory changes. They are developing institutions that meet their needs, cleverly circumventing regulatory impediments when they can, bypassing over-regulated industries when they must. But, Government regulation can mold and guide markets. Thus, the benefits of Government regulation can be preserved through regulatory flexibility and periodic overhaul of the regulatory apparatus to conform to over-riding market realities and the needs of the times. I believe the evidence warrants our contemplating the need for such an overhaul in the permissible powers of commercial and investment banking contained in statutes such as the Glass-Steagall Act.

If this assessment is correct, then what topics should be covered in the debate about possible changes in Glass-Steagall?

One topic that must surely be included in the debate is the potential for conflict of interest and abuse. As I mentioned, this feature weighed heavily in the original design of the Glass-Steagall restraints in the 1930s, and concerns along these lines must be dealt with in any reform measure today. Additionally, there is a concern that the multi-product financial firm will be able to force customers into unfair tie-in sale arrangements.

It may be that these concerns remain sufficiently valid to reaffirm the separation of commercial and investment banking functions. Alternatively, it may be that developments in disclosure requirements and other aspects of securities laws since the early 1930s will be found to have allayed our concerns when we examine the matter.

A further concern is whether relaxation of the Glass-Steagall restraints would result in an offensive concentration of economic and financial power. The supermarket approach to financial services creates a mental image of a few large financial conglomerates dominating the financial markets. However, I believe that at the present time it is difficult to determine whether a relaxation of Glass-Steagall would increase the number of suppliers of financial services or increase market concentration. Relaxation would increase the number of potential entrants into both the banking and brokerage industries but whether all entrants or existing participants would survive is an open question. Experience with statewide banking and other innovations in recent years suggests that smaller well-managed banks that are truly involved in their communities can do very well even against direct competition from much larger organizations. The related questions of industry structure and the options of local customers constitute an important topic for consideration in the Glass-Steagall context.

In the complex society in which we live, the very size and breadth of a universal financial services firm may be a source of some concern. If such an institution experienced financial distress it might be necessary to provide public sector support to avoid significant risks to financial market stability. If so, there may be merit in giving explicit consideration to what support mechanisms are warranted, under what circumstances they should be invoked, and how they should relate to traditional mechanisms such as deposit insurance, the provision of liquidity through the Federal Reserve discount window, and so forth.

At the very least, the debate about reform of Glass-Steagall will have to consider appropriate antitrust standards. Competitive analysis of commercial banking markets has for many years concentrated on bank deposits. In a world in which nonbank competitors and even banks themselves offer increasing amounts of the functional equivalents of deposits, new measures and new doctrines will be needed.

It is important to recognize that the pressures I have been describing on the Glass-Steagall prohibitions need to be related to our attitudes toward the geographic restrictions placed on commercial banking by various state laws, the McFadden Act, and the Douglas Amendment to the Bank Holding Company Act. Without reducing the need to consider liberalization on the geographic front, I think we must consider to what extent the viability and prosperity of commercial banks depends upon their ability to compete across a wider range of financial products.

Another topic which must be covered in the debate about Glass-Steagall is the assessment of economic costs and benefits of financial market integration. The evidence is quite strong that market participants see cost savings in one-stop financial shopping. Surely the basis for this perception is that information is expensive, and the investor who can reduce this cost is in a better position to deal with the uncertainty of the economic environment. However, we have not yet quantified the benefit that society would obtain in the form of lower capital costs from any relaxation of Glass-Steagall. Careful analysis needs to be undertaken of the relationship of the financial structure to economic growth; savings, investment, and productivity; and the ability to start and expand new businesses. Additionally, to make intelligent choices we should refine our sense of the potential costs in terms of institutional transition, increasing financial risk, and possible conflicts of interest and other abuses.

In the course of the debate, studies on these matters need to be conducted to facilitate intelligent choices. We have seen the beginnings of such analyses, related primarily to municipal revenue bond underwriting, but much more remains to be done. It is important to recognize that there are likely to be many qualitative dimensions which will need to be factored into the analyses to refine the conclusions which may be drawn from the more quantifiable elements.

The debate about Glass-Steagall will also have to consider the question of how to assure prudential supervision of universal financial product firms. In the case of commercial banks, those investment banking activities deemed unsuitable have historically been prohibited. Thus prudential supervision of the banking system could focus on the traditional problems in commercial banking—credit and liquidity risk. If banks'

powers were extended, we would have to develop methods of detecting conflicts of interest and other imprudent practices which might be associated with relaxation of the Glass-Steagall prohibitions. I am confident that examination procedures could be revised and extended to meet these demands.

The more difficult matter, I believe, would be devising and applying level playing field concepts of supervision to bank and non-bank participants in the financial services sector. Such an exercise appears necessary to prevent disparities in requirements from arbitrarily affecting the competitive balance among firms and industries. But it would not be easy. The attempt to bring all firms which offer third-party payment services, for example, under a common set of rules would probably stir up analytical and political battles even more heated than the ones we have just been through in trying to level the playing field among member and non-member commercial banks and thrift institutions. Yet our concern for the integrity of the financial system requires that we address this matter.

This effort would be made even more difficult because the Glass-Steagall separation between investment and commercial banking has been paralleled by structural separation between the relevant federal financial agencies, including the SEC and the bank regulators. As the powers and activities of investment and commercial banking organizations overlap, the need for harmonization of the approaches of the different government agencies grows. Such harmonization can be difficult to achieve, but it is not impossible, as the record of the Federal Financial Institutions Examination Council shows. Some attention should be given in a debate on Glass-Steagall as to how best to organize the financial regulatory agencies to provide equitable and effective prudential supervision of financial service providers.

Finally, I believe it is essential that the analysis of Glass-Steagall reform include discussion of the implications for the efficient and successful pursuit of monetary policy goals. The policy priority on inflation control is, properly, so great in the current environment that the Federal Reserve and others must consider carefully the implications of the development of new financial instruments and organizational forms. The monetary policy techniques in use in the United States are tailored to a specific institutional structure. Rapid changes in this structure could compound the problems of implementing monetary policy. In a review of Glass-Steagall, therefore, prudence requires that we consider what effect possible further changes in financial institutions would have on our ability to monitor and control the relevant monetary quantities in the effort to assure a stable and prosperous financial and economic climate. The discussion should also consider whether possible modifications in monetary policy techniques might be necessary to assure our continued ability to do our job if the financial structure is to be significantly changed.

The marketplace is proceeding to restructure itself, so the commencement of our efforts to study what actions government should take should not be long delayed. I am not trying to prejudice the outcome of the debate about Glass-Steagall, nor do I have a specific decision or plan of implementation to recommend at this time. I do, however, believe that it would be desirable to commence a comprehensive, dispassionate review of this issue expeditiously. I believe this would benefit the various compo-

nents of the financial sector and the public they serve. Otherwise, a new financial structure may develop which does not satisfy our goals with regard to avoiding conflicts of interest and undue concentration of economic power and achieving maximum economic efficiency, prudential supervision, and effective conduct of monetary policy.●

NASHVILLE'S POSITIVE RESPONSE TO ATTEMPTED DESTRUCTIVE ACT

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 4, 1981

● Mr. BONER of Tennessee. Mr. Speaker, the attempted bombing of the Temple, a Jewish house of worship in Nashville, Tenn., and the WSM television tower on May 25 shocks the sensibilities of all decent people in the society. When the criminal element of a community is allowed to prevail the rights and freedoms of all its citizens are endangered. I wish my colleagues to know that the residents of Nashville will not accept racial bigotry and religious discrimination. The actions of the agents of the Treasury Department and the work of the Nashville media prevented what would have been a disaster of great magnitude.

Our Nation is based on the principle of freedom of religion. This basic first amendment right must be protected at all costs. We must make the society safe from factions which seek to undermine this freedom. Morris Werthan II, president of the Jewish Federation of Nashville & Middle Tennessee, and Ernest Freudenthal, vice chairman of the community relations committee of the Jewish Federation, eloquently expressed the outrage at this assault on their personal freedoms and beliefs.

I herewith submit this statement and urge my colleagues to take a moment to review this commentary on the events that transpired and the swift reaction and response by the Nashville community to this travesty.

We find the threat of violence against any citizens of our community deplorable. The attempted attack on a Jewish house of worship is contrary to all traditions of our country. The manufacture, transport, and placement of an explosive device posed a threat not only to the temple, but to the safety of all Nashvillians. The Jewish Federation appreciates the actions of law enforcement officials and is fully behind their continued efforts to find and prosecute any who may be involved in these acts of hatred and violence. The rapid and effective response of Federal agents and Metro and Belle Meade police demonstrates that a climate exists in Nashville which condemns hate groups and their lawless activities. The public statements, particularly of Gov. Lamar Al-

exander, Mayor Richard Fulton, Police Chief Joe Casey, and the editorial policy of the Nashville Tennessean, have served to help shape this climate. The concern public officials have shown for the safety of all Nashville citizens is to be commended. The attempted bombing of the temple was not planned to be a single act, which is reprehensible in itself, but a prelude to a concerted attack which subverts every principle of American democracy. It is a criminal act which threatens all people. It is ironic that the attempted bombing was planned for Memorial Day, a day dedicated to the memory of those who died to protect America's freedom.●

MEDICARE REFORM PACKAGE

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. PEPPER. Mr. Speaker, I introduce for appropriate reference four bills to amend, reform, improve, and extend certain aspects of the health insurance program for older Americans, popularly known as medicare. These bills carry out the recommendations of the House Select Committee on Aging in its Report No. 96-245 released on November 17 of last year entitled "Medicare After 15 Years: Has It Become a Broken Promise to the Elderly?"

The first bill that I am introducing would delete the so-called part A hospital coinsurance payment which requires senior citizens, who are hospitalized consecutively for 60 days to begin paying \$51 a day toward their hospital stay beginning with the 61st day of such stay.

The second bill would amend the Internal Revenue Code to create a tax deduction for physicians who agree to accept assignment of claims from medicare on behalf of each and every senior citizen they treat in their offices.

The third bill would create a new part C of medicare which would cover eye care, hearing care, dental care, out-of-hospital prescription drugs, and routine physical checkups every 2 years. This program would be voluntary and essentially self-financing.

The fourth bill would provide a financial incentive in the form of an income tax deduction to help preserve the extended family concept and encourage families to care for their elderly relatives in their own homes.

Our report, upon which these four legislative measures are based, is the result of numerous hearings held by our committee on the subject of health care needs of the elderly since it became operational in 1975. The report was an attempt on our part to

analyze medicare; to learn what were its successes and what were its failures and what we might do to improve the program. One major component of the report is the summary of a hearing by the committee on July 30, 1980, the 15th anniversary of the enactment of the medicare program. Among those testifying on that date were former HEW Secretary Wilbur Cohen and former House Ways and Means Committee chairman, Wilbur Mills. These two men were among the principal architects of the medicare program.

In addition to analyzing hearing testimony, our report reflects excerpts from correspondence which our committee received concerning medicare from senior citizens in virtually every part of the Nation. Our committee asked all congressional offices to save their complaints about medicare and forward them to us for a period of 1 month. We solicited the views of experts in the academic community and sent thousands of questionnaires to hospitals, nursing homes and other health care providers. Our report reached a number of conclusions as enumerated below.

First, the overwhelming conclusion of our report is that medicare has been a great success. Senior citizens are comfortable with the program and grateful for its benefits. They are comfortable with the notion of paying taxes in their younger years so that they might benefit in their old age when they need it most. Another strong contributing factor to the program's success is the fact that its benefits are universally available to all—it is not a means-tested program available only to the poor. It is this notion of vested interest—the right to health care coverage and universal entitlement—which are medicare's strongest points. The committee could find no support for the idea that medicare has been a dismal failure and no one could be found who advocated that the program be abolished.

Second, the overwhelming acceptance of the medicare program by the elderly has been eroded somewhat by the perception that medicare's benefits have been rapidly shrinking. The committee evaluated this question and found that there is some misunderstanding among senior citizens who mistakenly assume that medicare will pay for 80 percent of their health care costs. This misconception aside, medicare is paying for less of the average senior citizen's bill than it did a few years ago. Medicare had been paying about 50 percent of the per capita health care cost of the elderly shortly after enactment whereas it is paying for about 40 percent of their bills today. In looking at the data our committee concluded that much of these cutbacks involved shifting costs to the medicaid program and thus to the

shoulders of the States. Our committee found that Medicaid, the Federal-State grant-in-aid program suffers from a negative image among older Americans who look at it as a handout for indigents rather than a program of entitlement.

What this really means is that every year it costs the elderly more and more to participate in the Medicare program through increased premiums, deductibles and coinsurance, while Medicare pays less and less of their medical bills. While their Medicare coverage decreases, health costs have continued to skyrocket. Caught between these twin buzz saws, elderly persons are finding that their golden years have become years of anxiety. They live in desperate fear of getting sick, of going broke, of going into a nursing home, going on welfare or becoming dependent on their loved ones. All of us have received letters from older Americans who have asked us for some redress to this problem.

Third, our committee was able to pinpoint the principal problems with Medicare. Senior citizens reported being fairly satisfied with part A of Medicare which pays for the expenses of a stay in a hospital. Part A is available to all seniors and is funded by a payroll tax paid by employers and employees. Senior citizens reported a significant number of problems with part B of Medicare. Part B is a voluntary program. The elderly elect whether they want to participate in it or not. The program pays for 80 percent of the reasonable charges for services rendered by physicians. Some 97 percent of the aged who are covered under Medicare part A also sign up for part B. To do so, they must agree to pay a monthly premium of \$9.60 a month—\$11 as of July 1, 1981. The principal problem with part B relates to whether physicians agree to "accept assignment" due to Medicare's less than generous fee structure.

The law gives physicians the option, under part B, to either: (1) not accept assignment, and thus place the burden of filling out Medicare's claim forms and seeking indemnification from Medicare to the elderly beneficiary; or (2) accept assignment. In essence, by accepting assignment, the physician agrees to accept whatever Medicare is willing to pay as complete payment for medical services. Accepting assignment puts the physician to the trouble of doing the paperwork and trying to collect payment from Medicare. There is a complicated formula for determining what Medicare will pay which has also caused confusion. The law says Medicare will pay 80 percent of the reasonable charges. Reasonable charges have been defined in legislation as the lowest of the following: (a) what your doctor charges; (b) his customary charges; that is, his median charge in the previous years, and (c) the prevail-

ing charge in the doctor's area; that is, the charges of all doctors are averaged and the 75th percentile becomes the prevailing rate in the area.

Perhaps it is understandable that the number of physicians who are willing to accept assignment has dwindled tremendously. Whereas two out of three were willing to do so in 1966, slightly less than one out of two will do so today. From the point of view of the elderly, the physician's failure to accept assignment means not only that they will have to (a) find the money to make payments to the doctor "up front," and (b) that they must go to the trouble of filling out claim forms and collecting from Medicare, but also that (c) they may wind up paying a greater percentage of the total bill out of their own pockets. In short, the No. 1 problem with respect to Medicare is the need to find some way to encourage physicians to accept assignment.

From the point of view of the Congress, part B presents problems of a different kind. Unlike part A, which relies on a payroll tax for its funding, part B is funded 30 percent by the premiums paid by the elderly which increase each year in line with increased costs, and the remaining 70 percent comes from general revenues, thus requiring an ever-increasing appropriation by the Congress each year. There have been a number of proposals in the Congress to change the funding base of part B. In fairness, it should be pointed out that there are those who have suggested that part A, with its reliance on increasing payroll taxes creates more of a burden and that part A should be funded through general revenues generated by what is thought as the more progressive Federal income tax.

Fourth, aside from the need to increase the number of physicians who accept assignment, senior citizens listed as their greatest concern the fact that Medicare provides no coverage for important areas of health care. For example, it does not cover eyeglasses, dental care, out-of-hospital prescription drugs, hearing aids, or any kind of preventive medical care. Literally thousands of senior citizens have written to the Members of the House each month asking that we provide some coverage in those areas through Medicare.

Fifth, senior citizens have asked us to do something about helping them with the burden of long-term care. Long-term care includes nursing home and home health care and present the most troublesome aspect of the entire health care problem. In the first place, Medicare has provided only marginal coverage in both areas although we were successful in the last Congress in enacting an amendment which broadened the scope of home health care benefits available under Medicare.

Nursing home benefits remain very tightly restricted under Medicare despite our report's finding that we are retaining senior citizens in the hospitals of this country longer than necessary at a cost of perhaps \$1.5 billion a year because of the unavailability of Medicare nursing home coverage. On the other hand, it is true that the greatest portion of the Medicaid program—some 40 percent—goes to provide nursing home care and many States have reported struggling with this burden.

In evaluating this data, the committee learned that to make up for the perceived large and growing gaps in Medicare, senior citizens are turning more and more to private health insurance coverage. Our committee learned that there were significant abuses in the sale of the so-called Medigap policies to the elderly. Oftentimes, these policies are sold with the representation that they will pay for all that Medicare will not pay for. In truth, there is no policy that we could find that will provide this kind or comprehensive protection. At an average cost of \$200 or more, these so-called Medigap policies basically provide coverage for the first \$204 of a senior citizen's hospital bill and the first \$60 of his doctor's bill—the so-called deductibles in Medicare. They also provide coverage for coinsurance payments which the elderly must assume beginning with their 61st day in a hospital. Rarely do these policies pay for what is not covered by Medicare such as dental care, out-of-hospital prescription drugs, eyeglasses, hearing aids, or physical exams. What we learned to our chagrin is that senior citizens are being sold multiple policies which individually, or taken together, do not provide them with the comprehensive protection that they desire or anticipate. We found that 2 out of 3 senior citizens has at least one of these policies and in the extreme some seniors have purchased 30 or more policies. The sad part is that these policies often contain a clause which says that in case of duplication, only one policy will pay.

As a result of our investigation, the Congress enacted legislation which makes it illegal for agents to sell this kind of duplicate and therefore worthless insurance and provides senior citizens with some guidance as to what is and is not an acceptable policy by means of a Federal seal of approval which will be given to companies and policies which meet certain Federal minimum standards.

From our insurance investigation we learned that the elderly are apparently willing to spend \$200, \$500 or more each year in addition to their part B Medicare premiums if they are guaranteed comprehensive coverage. In discussing this point with the General

Accounting Office personnel, the committee was led to the recommendations in its November 1980 report and to this bill that I am introducing today.

REFORMS

The General Accounting Office (GAO) has suggested that a great source of confusion and unnecessary administrative costs in part A are the hospital coinsurance payments. The GAO pointed out that far less than 1 percent of the elderly are ever hospitalized 61 days consecutively which is the date they must begin to contribute \$51 a day toward their hospital bill. The GAO said that many insurance companies use the hospital coinsurance payment as a means of suggesting to the elderly that their medicare coverage is far from complete, necessitating the purchase of a medigap policy. Once purchased, the policy does little but make money for the company since its liability under this provision is extremely remote. For this reason, we have concurred in the GAO's recommendation to repeal the part A hospital deductible, and I am hereby introducing legislation to accomplish that objective.

With respect to part B, the committee analyzed all of the means advanced to encourage physicians to "accept assignment" under medicare. Each legislative approach had advantages and disadvantages. Each fell into the category of "carrot" or "stick." One approach involved advising physicians that they would have a choice of participating in the medicare program or not. If they chose to do so, they then would be required to "accept medicare assignment." It is my feeling that this would simply encourage physicians to desert the program in droves. The committee decided that we must do the opposite. We must provide incentives to encourage physicians to participate in medicare and to accept assignment. The proposal which was recommended in the committee's report, and which I am introducing as the second bill in today's package, would amend the Internal Revenue Code to allow physicians who agree to accept assignment from all of their patients and who have received at least \$10,000 from medicare in assignment claims, to deduct from their taxes such sums as they receive from medicare thereafter up to a total of \$25,000 in any single year. I believe this kind of a tax incentive idea is absolutely essential to the continuing success of the program. For those who think there is no justification for such a bill, I would suggest comparing the fees we are paying to physicians under medicare not with rates which doctors charge their paying customers but with payments made by Blue Cross/Blue Shield and other private insurance carriers. The rates are low and the payment is slow. Many physicians

have severe cash flow problems as a consequence. Something must be done and the idea of a tax break for participating doctors is, I think, much preferable to a general increase in medicare fees paid to physicians. The last time we raised such fees 5 percent was early in 1978, it cost the taxpayers \$1.5 billion, and it hardly made a dent in the problem.

The third bill that I am introducing as part of this package would create a new part C of medicare. Part C would be voluntary like part B. Seniors could elect whether or not they wish to participate in part C as they now do with part B. Part C would carry a premium which would be equal to the part B premium and it would increase at the same rate as the part B premium. Part C would offer senior citizens appropriate coverage for out-of-hospital prescription drugs, dental care and dentures, eye exams and eyeglasses, hearing exams and aids, and biannual physical examinations. Like part B, part C will carry a \$60 initial deductible. However, unlike part B, part C will not require the 20-percent coinsurance payment—100 percent of the reasonable costs will be reimbursable under this new part.

As I noted earlier, if seniors are willing to spend several hundred dollars a year on insurance policies which purportedly close the gaps in medicare, might they not be willing to pay a portion of this amount for expansion of the medicare program which will actually provide them with more comprehensive coverage? The answer among the senior citizens that we have talked to is a resounding yes. I am sure virtually all my colleagues in this Chamber would like to see us doing more for older Americans. I think all of us are sensitive to the fact that we are dealing in a time of tight budgets and high inflation. Some say that this should be a time of retrenchment and that we have no alternative but to accept cuts across the board in all programs and that the senior citizens of this Nation must accept their share of the burden of these cuts. My view is a different one. During these times of high inflation it is the elderly who are living on fixed incomes who are being hurt the most. Many of our seniors have severe health care problems which require prompt medical attention. Retrenchment and cutbacks can actually be counterproductive in the sense that if seniors do not get the limited services they need on a timely basis, medical problems may be exacerbated to the point where major surgery is indicated resulting in higher costs overall to the Government.

Since it is obvious that the new premium cannot support the entire cost of these new proposed benefits, the question is: Where will the remainder of the money come from? Our committee chose to borrow an idea from mem-

bers of the Senate Finance Committee who in the debate on catastrophic national health insurance last Congress suggested an excise tax on alcohol and tobacco might provide the means for generating new sources of funding for such additional benefits. I think that this might well be an excellent means of financing part C. We have learned that for a few pennies tax on distilled spirits and cigarettes, we could fund part C in perpetuity. The combination of the premium which will rise with health cost and the excise tax will make part C essentially self-financing.

My assumption is that the consumption of alcohol and tobacco will continue to increase in the future and that the revenues and associated excise taxes will increase as well. In short, the financing for the health care program would increase just as we can anticipate that health care costs will continue to increase. Moreover, it makes a certain amount of sense to me that people who are greater health risks should pay a greater share of health care costs. Those who smoke and drink must already pay greater health insurance premiums in order to obtain private health insurance. I am simply suggesting the application of this principle to Government insurance.

All of us in Congress are concerned with the potential for fraud and abuse in the delivery and administration of our health care services. I know the administration shares our concern. For this reason, we have incorporated in this new part C proposal, mechanisms designed to avoid possible opportunities for fraud and abuse. We have also proposed methods for the provision of medical appliances under this new part in a manner which assures cost control as well as quality of care.

I think this bill is a needed and important step which we must take to improve the quality of health care for older Americans. Since the program will not involve tremendous outlays from the Federal Treasury and essentially is self-financing, I hold out a reasonable hope that we can persuade others in the Congress beyond our committee that this bill must receive the appropriate consideration and be enacted immediately.

The fourth bill would permit families to allow as a deduction from their Federal income tax the cost of providing home health care or nursing home care for their relatives irrespective of whether such individuals meet the tests of dependency in the current Internal Revenue Code. The idea incorporated in this bill is that we should encourage families to take care of their own rather than to place them on medicaid and in nursing homes where they become in essence long-term wards of the Government. It should be pointed out that it is per-

missible under present law to deduct the costs of providing health care to a relative provided that the person meets the test of dependency. This generally means the relative must prove they provide at least 50 percent of the support and the parent must not receive more than \$1,000 in income before any tax deductions can be realized. Our bill would allow the deduction irrespective of whether the relative met this test of dependency. I believe that if this proposal were enacted, that there would be tremendous offsetting savings to the medicaid program which now pays for about 40 percent of the Nation's entire \$20 billion nursing home bill annually. I think it makes more sense to keep people at home with their loved ones than to place them in institutions.

Mr. Speaker, I would like to acknowledge that Congresswoman MARY ROSE OAKAR, a valuable member of our committee has been a moving force behind this legislation. I am pleased to acknowledge her support and to list her as a prime cosponsor.

I would also commend the Members of the House to our report and to our earlier July 30, 1980, hearing in which Wilbur Mills and Wilbur Cohen both endorsed the concept of part C of medicare as described above and suggested ways of encouraging physicians to accept assignment. Wilbur Mills noted that the greatest mistake the Congress made with medicare was to essentially limit its coverage to hospital care. He suggested this has created an overutilization of this most expensive element in the health care spectrum and that the Congress should be looking more to preventive medicine and making greater use of outpatient care. "I commend you for the thought you have advanced in part C of medicare," he said. Wilbur Cohen said, in part, "I would like to see a medicare program which eventually covered practically all the medical costs of older people and the disabled. I approve your idea of developing some kind of part C in which a person can get almost complete coverage for the major items that we have been talking about."

Mr. Speaker, I believe this package of bills that I am introducing today is an important and responsible package. It contains the financing necessary to make it work. I think that the volume of mail that all of us have been receiving tells us that senior citizens continue to have very serious health care problems. Because of inflation, many senior citizens neglect to obtain the health care they need. I think that this Congress has a unique opportunity to recognize those needs and to enact the first major expansion of the medicare program since it was enacted in 1965. I expect that my proposal will be refined and developed as it moves through the legislative process. I wel-

come thoughts and suggestions from all interested parties. I hope we can enact this reform package during this Congress.

Thank you.●

KENNEDY RESPITE CENTER

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FORD of Michigan. Mr. Speaker, the State of Michigan has distinguished itself in its interest, commitment and support of programs for the handicapped. I am now proud to acknowledge one of my local school districts—the Wayne-Westland Community Schools—for its outstanding leadership in providing a very special service and facility for its handicapped citizens. I am speaking of the Rose Fitzgerald Kennedy Respite Center, which was dedicated on May 17 in Westland, Mich.

The school districts in Wayne County have offered exemplary programs for the handicapped since the early 1970's, and have established a cost-efficient, cooperative system of programing. I was extremely pleased to participate in the opening of the Kennedy Respite Center. What we have here is an innovative and much-needed facility for our handicapped citizens and their families. The center offers temporary residential placement for developmentally disabled persons for up to 30 days in times of emergency, vacation, stress, and needed physical and/or emotional relief.

It is particularly appropriate that such a facility would be named in honor of one of our most outstanding American women, Rose Fitzgerald Kennedy. I can think of no better way to honor a person who has been so dedicated as a wife, public-spirited citizen, and mother of a handicapped child. I wanted to share with you the dedication remarks of Marjorie Mitchell, the respite care supervisor:

I would like to express our pleasure at being associated with the name of Rose Fitzgerald Kennedy. The candor with which the Kennedy family, in the early 1960's discussed the issues and problems related to having a developmentally-disabled family member and the energy with which the entire family dedicated their efforts to solving these issues and problems, has contributed greatly to the volume and quality of special education and mental health legislation. We trust the Kennedy family is equally pleased to be associated with such a unique, inter-agency service as the Respite Center.

Like many of the other very worthwhile programs serving special populations, the respite center might not have come into being without the influx of Federal funds. Clearly today the planning and fruition of the Rose

Fitzgerald Kennedy Respite Center would not be possible. Construction funds of \$997,063 were provided through the Federal local public works program, and currently operating program funds are available through the Detroit-Wayne County Mental Health Board and a combination of local, State, and Federal education funds. Those of us who have worked so hard to put together the construction and operating funds for the center sincerely hope it will continue to receive sufficient support to operate.●

QUESTIONS ABOUT THE POPULATION EXPLOSION?

HON. VIN WEBER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. WEBER of Minnesota. Mr. Speaker, I would like to bring to my colleagues' attention an article which appeared in the Washington Post, written by Mr. Ben Wattenberg, a senior fellow at the American Enterprise Institute. He has highlighted some statistical trends in world population, arguing that, contrary to popular belief, world population is not "exploding."

Mr. Wattenberg, in my opinion, has justly criticized the inaccurate analysis which is contained within the Global 2000 Report. The so-called population explosion need not, and probably will not, become a self-fulfilling prophecy.

[From the Washington Post, May 18, 1981]

WHAT "POPULATION EXPLOSION"?

(By Ben Wattenberg)

All around the world, birthrates have gone down. The so-called "population explosion" is receding—and quite rapidly in most places.

Now, this does not mean that our planet won't ultimately house more people than its population today. Even a lower growth rate still yields some growth until and unless it reaches zero. But what is also apparent is that those nightmare scenarios of ever more nonstop billions of starving people packed like sardines will not come to pass.

A brief look at data from the 20 most populous countries—containing 75 percent of the world's population—provides a flavor of what's going on. (The numbers were compiled by the U.S. Census Bureau's International Demographic Data Center.)

Seven of the 20 biggest nations are categorized by the United Nations as "more developed." They are the United States, the Soviet Union, Japan, Great Britain, West Germany, France and Italy. In six of these seven nations, fertility levels have already sunk so low that, if continued, such rates would lead to actual declines in population in years to come. The Soviets are only a smidgen away from such a rate.

But the biggest demographic question marks in recent years have concerned the major nations of the "less developed" world. A quick tour of these poor nations shows de-

clines in birthrates everywhere, although at very different speeds.

Begin at mainland China. In the early 1950s, the mainland Chinese had an annual birthrate of 40 children per thousand people. By the late 1970s, just a quarter of a century later, that rate had fallen to 22.

India is No. 2 in the world in population. It has been thought of as a demographic basket case. India has had a much more moderate drop in birthrate than has China. In the late 1950s, India recorded 43 births per thousand; today the rate is about 35. But that drop is more significant than it may seem. A nation only has to achieve rates in the mid-teens to get to population stability over time. That means that in the past 20 years India got about a third of the way to rates that will produce zero population growth.

Even greater declines in birthrates are apparent in the two next-largest poor countries, Indonesia and Brazil. Indonesia's birthrate was 46; now it's about 36. Brazil's was 44; today it's about 30.

On the other hand, Bangladesh, Pakistan and Nigeria have all shown much smaller declines. Each had birthrates of around 50 in the 1950s and are only down to the mid-to-upper 40s today.

The remaining six big nations in the less developed world break down this way: the birthrates of Thailand, Turkey and Mexico have dropped about 10 per thousand; that's a bigger decline than India's, but not as sharp as China's. The Philippines and Egypt have lost about five per thousand. Data for Vietnam do not exist. (For good measure, South Korea, the world's 21st largest nation, has seen a stunning drop in its birthrate, from 45 to 22, in only the past 20 years.)

The leverage of these sorts of declining rates is incredible. Thus, the often-bizarre "Global 2000 Study" cites a harum-scarum projection dealing with a world population of almost 30 billion in the next 120 years. But today, looking at the most recent birthrates, mainstream projections come in at about 10 billion to 12 billion, while the low-ball demographers are talking about a maximum of 8 billion before we level off and perhaps go to a global decline.

Lessons. First is this: there are no immutable projections. When some big out-of-town jasper with a pocket calculator comes up to you and says, "If present trends continue . . ."—hold onto your wallet.

"Present trends" involving people typically don't continue, particularly if the trends are unfavorable. They change—because, unlike pocket calculators, people have some control of their own destiny.

Second, what is seen as bad news drives out what is seen as good news. The alleged "population explosion" dominated our consciousness for a quarter of a century. Its recessionary march now attracts little attention.

Third, what's seen as bad news may not be. The "population explosion" was regarded as "bad news" because the fellow with the calculator said that if you split a pie among more people, each person has less. That's an argument that may never be settled. A famous demographer has noted that every baby comes equipped not only with a mouth but also with hands. People not only consume but also produce. That makes the pie grow. Isn't it odd that just about every nation in the world raised its standard of living while the "population explosion" was going on?

Finally, science and statistics have become ideological handmaidens. Thus, the (distort-

ed) perception of the population explosion yields corollaries: we're running out of resources, it's an era of limits, the rich are unfair to the poor, we need a new world economic order. Not surprisingly, the fellows with the hot calculators will also be happy to tell you how to fix things. All you have to do is follow a handy little 17-point government program that happens to be already typeset and at the printers.

What we see, then, is a pattern that is observable elsewhere in our society: we trumpet and politicize bad trends that may not be bad and may not be trends.

That's bad. As for me, a political man, I trumpet only the idea that the projections of doom will not survive. Certainly not if present trends continue.●

U.S. VOTE ON INFANT FORMULA CODE DESERVES A SECOND LOOK

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FRANK. Mr. Speaker, when Dr. Stephen Joseph and Mr. Eugene N. Babb resigned their posts at the Agency for International Development last month, they did so because of their conviction that the U.S. vote at the World Health Organization meeting on infant formula was unconscionable. In fact, Dr. Joseph and Mr. Babb estimate that roughly 1,000 children's lives are lost each year as a direct result of the misuse of infant formula in less developed countries. For the United States to vote against a voluntary code to set standards for use of infant formula in member nations is an abrogation of the principle of corporate responsibility and signals the world that we are more concerned with corporate profits than human lives.

The resignations of Dr. Joseph and Mr. Babb stand out as a refreshing example of the conviction of Government employees who have examined the impact of our actions on poor children in poor nations. I commend these gentlemen for their stand. Their resignations serve as a symbol to all of us of our responsibility to examine the ramifications of our decisions on the people they are intended to affect.

I would hope that in the coming months, prior to the next opportunity for the United States to vote on this issue at the World Health Organization, the administration will reconsider its position on an infant formula code.

I recently received a copy of a resolution adopted by the Massachusetts House of Representatives from Iris K. Holland, chairperson of the Massachusetts Caucus of Women Legislators and assistant Republican house leader on the infant formula issue. The resolution is a firm expression of support for the WHO infant formula code. The resolution follows:

RESOLUTIONS MEMORIALIZING THE PRESIDENT AND CONGRESS OF THE UNITED STATES TO DIRECT THE UNITED STATES REPRESENTATIVE TO THE UNITED NATIONS WORLD HEALTH ASSEMBLY TO VOTE IN SUPPORT OF THE RESOLUTION THAT WOULD OUTLAW THE PROMOTION OF INFANT FORMULA AROUND THE WORLD

Whereas, ten million infants and young children annually suffer from sometimes fatal malnutrition and other diseases associated with inadequate breast-feeding and the use of milk substitutes; and

Whereas, breast-feeding is free and nutritionally superior as compared to infant formulas that can be and often are contaminated by bad water, dilution and lack of refrigeration which is common in undeveloped countries; and

Whereas, said resolution would prohibit consumer advertising, free samples, premiums and commissions on the sale of infant formula and would prevent manufacturer's agents from selling to mothers directly and ban labels that present infant formula as a healthful alternative: Therefore be it

Resolved, that the Massachusetts House of Representatives hereby urges the President and Congress of the United States to direct the United States Representative to the United Nations World Health Assembly to support the resolution outlawing the promotion of infant formula around the world; and be it further

Resolved, that a copy of these resolutions be forwarded by the Clerk of the House of Representatives, to the President of the United States and to the Presiding Officer of each branch of the Congress and the Members thereof from this Commonwealth.●

IRRELEVANT WEEK

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. BADHAM. Mr. Speaker, each year at this time it is my pleasure to call to the attention of this honorable body an event in the 40th Congressional District of California which is fast becoming one of national interest.

It is known as Irrelevant Week, during which a number of citizens of the district which I represent bring to Newport Beach, Calif., the last man drafted each year by the National Football League to be honored as one who is symbolic of everything that is great in the United States of America.

This year the honor has befallen Phil Nelson, a little-known underplayed tight end at the University of Delaware, whom the Super Bowl champion Oakland Raiders thought had sufficient potential to draft 332d in this year's player lottery.

Phil Nelson joins five previous NFL draftees to be so honored and while I am not in a position to declare that being the Irrelevant Week honoree is a kiss of death for an aspiring pro football player, I am able to say that the record clearly speaks for itself.

Since Paul Salata and his zany friends in Newport Beach initiated Irrelevant Week in 1976, there has been a parade of players from Dayton, Colorado, Montana State, Northwest Louisiana, and Arkansas who have been honored as the final draftee in their senior year and so far none has made it out of summer training camp.

One player, a wide receiver, was inserted into two preseason games by the Pittsburgh Steelers in 1979 but, fortunately, he didn't catch a pass—because none was thrown to him—and he was soon released to join the other Irrelevant Week honorees in pro football oblivion.

Now comes Phil Nelson of the University of Delaware. This lad, who was schooled in Washington, D.C., virtually under the shadow of the U.S. Capitol, has had a rather undistinguished career in Delaware. Though 6 feet, 6 inches and a beefy 238 pounds, Phil caught only 14 passes in his 3 varsity seasons at the university.

But the pro scouts from a number of NFL teams came around several times to view game films, the best way to see Phil Nelson because he was academically ineligible for 7 games of his senior year, when he caught 7 of those 14 passes.

Yet the scouts liked what they saw. Phil has potential they decided. At least enough to be drafted 332d out of 332. And so now he will be off to summer camp with the Oakland Raiders, bidding for a seat on the bench along with the other 44 final members of the team squad.

After all, however, Phil Nelson did catch those seven passes last year in the four games he played. One of them was for a touchdown. In his junior year he caught six passes, one of which was for a touchdown as Delaware defeated Youngstown State 38-21 for the NCAA division II championship. In all there were four touchdown receptions in 1979.

The jump from division II play with the Delaware Blue Hens to the Oakland Raiders may be more than can be expected of 22-year-old Phil Nelson but the NFL is stocked with star players who made similar jumps. However, if Nelson does make the grade he will be the first Irrelevant Week player to have done so.

Which brings me to the point of this message to my colleagues and to all America.

The world is peopled with those who are drafted last, if at all, and it really isn't relevant whether or not they make it to the top, starting from the bottom, as it were.

What is relevant is that Phil Nelson and the other Phil Nelsons of the world gave it their best shot, which is all that any of us can ask of our fellow citizen.●

FORT CARSON ARMY PROJECT

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. KOGOVSEK. Mr. Speaker, I am entering the testimony I made regarding the Fort Carson Army project.

Mr. Chairman, I would like to thank you and members of the committee for allowing me to testify today. The topic is the expansion of Fort Carson—a project the Army has labeled its number one acquisition priority, and a project which is the number one concern of my constituents in southeastern Colorado.

You will hear testimony this afternoon from various Coloradans who will tell you their organizations wholeheartedly support the Army's proposed acquisition of 244,000 acres in my congressional district. I want you to know that my opposition to the expansion represents the views of the majority in southeastern Colorado who will be directly and adversely impacted by this land grab.

I do not oppose the expansion because I disagree that Fort Carson needs more training area. They do. Fort Carson troops need to be trained at battalion levels in order to upgrade the readiness of this nation, according to the Army. I accept their description of need, and that is not the question. The question is where we train Fort Carson's troops.

While the Army argues the criticality of this project in terms of readiness, they often forget to explain that troops will not be able to train on the Pinon Canyon parcel until 1986. The Army does not appear to be in any great haste to meet the training needs when they discourage each and every alternative site or method which would allow the troops to begin maneuvers within one or two years. The Army has its heart set on the Pinon Canyon parcel.

I believe the reason for this is explained in documents I will submit for the record. These documents provided to me by the former chief of the Fort Carson land acquisition team indicate the Army has considered training more than just the 4th Mechanized Division on its newly acquired land. By its own admission, the Fort Carson maneuvers will only require 82,000 acres. Yet, the Army's proposal asks Congress to pay millions more for three times as much land as Fort Carson needs. The Army lists environmental concerns as its reason for such a request. I believe the true reason is future ability to train more than just the 4th Mechanized Division.

But let me address the environmental concerns, because I share them with the Army—although I don't feel the Army is concerned enough. The Pinon Canyon parcel is fragile. The area receives a scant 9 to 12 inches of rain a year. The ground has very little vegetative cover—in fact it takes 50 acres to graze one animal unit.

I would like the members of this committee to see the frill land the Army wants to roll hundreds of tanks on. Between the training of three battalions per year, reserve training and a biennial division level maneuver, I am convinced we in southern Colorado will have a dust bowl on our hands and 244,000 acres of scarred prairie—land where old wagon trails are still visible after decades.

The environmental question is two pronged . . . it goes beyond my concern for the looks of the land. It goes to the economic future of my district.

Once the training activity begins, dust will blow into communities which have long been striving for economic development. Pueblo, Colorado, the metropolitan area nearest the proposed training site, already has non-attainment status from the EPA which has prevented it from attracting new industry. But the Army says the dust won't blow into Pueblo, almost 100 miles removed from the training site. So let's talk about the rural communities adjacent to the parcel—Walsenburg, Trinidad, La Junta, Lamar, Rocky Ford. These are towns whose past economy has been based solely on agriculture. The residents have felt the impact of a sagging agricultural economy and so they search for new industry to provide jobs and an economic boost. Lamar was recently chosen as the site for two new manufacturing plants. The potential for attracting any more industry will decline dramatically in Lamar and Trinidad and La Junta when—not if—dust pollution increases because of training.

In addition to the potential for air pollution is the certainty of increased salinity in the Arkansas River. The Purgatoire River runs right through the Pinon Canyon parcel and feeds into the Arkansas—a river with the nation's highest salinity level now. Erosion caused by tank maneuvers will increase the salinity drastically, causing problems for Colorado users as well as those downstream who depend on the Arkansas water for agricultural production.

The Army has not totally ignored these potential environmental impacts. Within their estimated cost of operating the new training site is a less than adequate \$5 per acre cost for mitigation. And remember, the Army is taking three times the land it actually needs in order to minimize environmental problems. They will rotate training activity from site to site to "rest" certain areas for a two-year period. The Army believes two years is enough time for the fragile land to revegetate.

Mr. Chairman, rotating the training of hundreds of tracked vehicles will not mitigate the impacts. The Bureau of Land Management says so. The State Department of Agriculture says so. The EPA says so and the U.S. Forest Service does too. The Soil Conservation District says the Army plan is unsupportable. I say it is irresponsible. The Army will not be able to achieve in a two-year rest period what the Soil Conservation District has been unable to achieve on the neighboring Comanche National Grasslands with a 40-year rest and the expenditure of thousands of dollars per acre.

Let me move from the environmental issues to the fiscal ones, since your job is to determine proper expenditures of federal dollars. The mood of the country makes arguing against an item on the military wish list difficult. The people—including my constituents in southeastern Colorado—believe we must improve our national strength. The Army would have you believe that this \$30 million expenditure for the Pinon Canyon parcel is the sole way of doing so.

But the mood of the country is also one calling for careful expenditure of taxpayers' dollars. I submit to you that the purchase of a quarter of a million acres of private land is not the most fiscally responsible alternative available to you.

I do not come to you in opposition of the expansion proposal to be an obstructionist. I

have proposed several alternatives to the Army, and they have chosen to discount all of them. They have used the excuses Lt. General Arthur S. Collins Jr. said they would in his book "Common Sense Training." "A common excuse is the training area is inadequate. The training areas are either too small, too far away, too wooded, too open or too something," Collins said. He could have been quoting any number of Army officials I have talked with about alternatives.

The Army has looked at other sites before setting its eyes on the Pinon Canyon parcel. In 1978, the Army looked at land to the west of the existing Fort Carson reservation, to the south of it, east of it and in Wyoming. Several of these sites were acceptable to the Army then, but are not now. Only the Pinon Canyon parcel seems to meet the Army's needs.

I would suggest that we look further into these sites and determine if they are feasible and why they were abandoned from further consideration.

But the most preferable alternative to me—a member of Congress who represents a state where more than one third of the land is owned by the federal government—is to train Fort Carson's troops on an existing military reservation.

We are presently establishing the National Training Center at Fort Irwin in California. Why can't the 4th Mechanized Division train there? It is too flat and transportation costs are too high. Fort Bliss in El Paso, Texas has 1.1 million acres, 300,000 of which is specifically labeled maneuver land. Why can't Fort Carson's troops train there? It is too flat, transportation costs are too high and scheduling will be impossible once three new weapons systems are assigned there.

The Army has an argument against every alternative to the Pinon Canyon site. As one general testified before the Armed Services Subcommittee on Installations and Facilities—"we want that land."

Mr. Chairman, I question the Army's contention that travel costs to Fort Bliss or Fort Irwin are not responsible spending when the cost of the Army's speculation at the Pinon Canyon site will be upwards of \$100 million, and that is a conservative estimate. The Army has not adequately considered the costs of their mitigation efforts, like a scheme to build holding ponds in order to combat the salinity problem. In addition, by 1986, when troops will finally train on the site, the cost will be higher. A recent Congressional Budget Office report said the administration's five-year defense plan will cost \$136 billion more than estimated because the predicted annual inflation rate was lower than is realistic.

Mr. Chairman, I am certain we all agree on the criticality of the need for better training of our troops. But it is also critical that we look at the real expense of the Army's plan and determine whether purchase of the Pinon Canyon site is sound or if it is a boondoggle.

Because the Army does not feel it is necessary to fulfill this number one priority need until 1986, I think we should take a little more time to examine the alternatives. I would like to request that this committee call for an independent investigation of the alternatives—particularly the use of existing military training land.

Certainly if the Army believes this is its number one priority in terms of readiness, they would welcome an investigation of training sites which would allow training to begin within one or two years and not five years down the road.

And just as certainly, the taxpayers will welcome the saving of \$30 million or more because we were frugal enough to use what land we have to the fullest extent, rather than buying more and more and more.

I most sincerely urge you not to confuse the criticality of the Army's requirements with the real criticality of the necessity to meet those requirements in only the exact manner which the Army has proposed.

Thank you, Mr. Chairman and members of the Committee, for hearing my testimony on an issue which is far more than just consequential to southeastern Colorado. ●

ALEXANDER YAKOVLEVICH LERNER—REFUSENIK

HON. FRANK R. WOLF

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. WOLF. Mr. Speaker, I would like to bring to the attention of my colleagues the plight of Alexander Yakovlevich Lerner, a refusenik in the Soviet Union. A refusenik is a Soviet Jew who has been denied an exit visa and is many times the subject of harassment and may suffer the loss of his/her job or imprisonment. Recognition of the refusenik's independent commitment to freedom should be part of our country's support of human rights.

Alexander Lerner was once among the most respected and honored scientists in the Soviet Union. Alexander Lerner is now reduced to arranging furtive meetings with other Jewish refuseniks, in his small apartment, where they exchange scientific views and dream of their future work in Israel.

Alexander Lerner was born in the Ukraine, in Vinnitsa. When the Germans occupied Vinnitsa, Lerner and his wife Judith saw their two daughters, aged 3 and 5, murdered by the Nazis. The Lerner family began life anew in Moscow where their children Vladimir and Sonia were born. In 1939, Lerner was awarded the academic degree of Candidate; in 1954, that of Doctor of Science; and in 1955, the academic title of Professor. He became a member of the prestigious Academy of Sciences of the U.S.S.R., and was the author of 168 scientific works, 12 books among them, many of which have been translated into several languages.

Professor Lerner held a prominent position in Soviet society until 1971—the year he applied for an exit visa. After submitting a petition concerning his decision to leave for Israel, Professor Lerner was dismissed from all his duties. His daughter was discharged from her position as mathematics researcher, and his son, an engineer in systems analysis, was fired and has been forced to work at odd, unskilled jobs.

In a statement transmitted from Moscow on March 30, 1976, Professor Lerner emphasizes that there is no basis to the "knowing State secrets" as a reason for refusing him a visa. Any participation in projects of a confidential nature have long been discontinued and made public in the West. Lerner had also been allowed to travel abroad—a privilege denied to those privy to State secrets. Lerner concludes:

And so the pretext of secrecy on which is based the refusal to release me is patently absurd. Even more absurd is this excuse for detaining my son who in his entire life has not had the slightest glimpse of secret documents or participation in secret activities.

Justice demands that Mr. Lerner be released from the Soviet Union so that he may fulfill his dreams and complete his work in Israel. ●

LOUIS RANDOM HONORED FOR SERVICE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. HOLLENBECK. Mr. Speaker, on June 12, the community of Dumont, N.J., and the Dumont Education Association are paying tribute to the accomplishments of a very special educator. Mr. Louis Random has taught Dumont High School students U.S. history and government for 33 years. He has instilled in thousands of young men and women a sound understanding and firm appreciation of our government and our heritage during these more than three decades in public education.

Upon his retirement, Mr. Random is recognized by his colleagues and his community, not only for the longevity of his service, but for his steadfast dedication to quality education for our youth. I am proud to offer Mr. Random my congratulations on the honors bestowed upon him, my commendation for his fine career in education, and my very best wishes for happiness and good health in his retirement. ●

EQUAL EMPLOYMENT OPPORTUNITY AT GRUMMAN AERO- SPACE CORP.

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MITCHELL of Maryland. Mr. Speaker, many of my colleagues oppose affirmative action in employment, housing, and minority business. They mistakenly assume that our society is free from racism, prejudice, and

discrimination—how badly mistaken they are.

I have often stated that if indeed the private sector really tried to implement affirmative action programs on its own, there would be no need for Federal efforts. Very few corporations in America really push affirmative action hard, and that is bad. A few exceptions can be noted. Grumman Aerospace Corp., with whom I have worked since I came to the Congress, has, in my opinion, attempted to implement equal opportunity initiatives.

It should prove interesting to review a 10-year record of progress at Grumman. During the decade of the seventies the following increases were achieved:

Increase in total population, women from 10.0 to 12.9 percent, minorities from 5.8 to 8.3 percent; white-collar positions, women from 13.5 to 15.3 percent, minorities from 3.1 to 5.9 percent; officials and managers and professionals, women from 1.7 to 7.1 percent, minorities from 2.2 to 5.1 percent; technicians and craftworkers, women from 3.2 to 4.6 percent, minorities from 6.6 to 9.1 percent; and blue-collar positions, women from 4.4 to 7.4 percent, minorities from 10.2 to 13.5 percent.

TYPES OF OFFICIALS AND MANAGERS JOBS HELD BY WOMEN AND MINORITIES

Women: assistant to corporate officer, 2; assistant to director, 3; manager, 6; assistant manager, 9; section head and group head, 7; supervisors and assistant supervisors, 11; and foreperson and assistant foreperson, 3.

Minorities: assistant to corporation officer and board member, 1; director, 4; deputy director, 1; deputy general manager, 1; manager, 13; assistant manager, 4; section head and group head, 5; supervisor and assistant supervisor, 18; and foreperson and assistant foreperson, 20.

PROFESSIONAL JOBS

Women: administrative assistant, staff assistant, administrator, analyst, engineer—84, auditor, attorney, buyer, chemist, and editor.

Minorities: staff assistant, accountant, analyst, administrative assistant, engineer—156, buyer, chemist, and field representative.

Over \$5,820,000 was paid to minority subcontractors during 1979, and a total of 160 minority firms are on our seller's list.●

THE SUGARMAN CASE—A CLEAR EXAMPLE OF BUREAUCRATIC EXCESS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. PORTER. Mr. Speaker, last fall, I came before this body to protest

the excessive burden placed upon a small businessman from my district by the Federal Trade Commission.

That regulatory body had imposed an excessive fine upon Joe Sugarman of J.S. & A. Corp. for a delay in responding to orders placed during the great Chicago blizzard of January 1979. The company's problem in meeting its orders was confounded by computer difficulties, but Mr. Sugarman worked gamely to fill those orders as best he could. The staff gave willingly of its time to try to get its products out in accordance with both good business practices and the FTC rule requiring 30-day shipment.

Despite the good faith efforts of the corporation to fulfill its commitments to its customers, the FTC saw fit to impose a \$100,000 fine upon it for its technical violation of the 30-day rule.

This House has never sanctioned such a 30-day rule with the force of law, nor would it ever do so without requiring clear due process of law which took into account mitigating circumstances. Yet, the FTC has seen fit to confound its first outrageous act with two more: it subsequently raised the fine to \$275,000 and then "magically" reduced it to \$75,000.

Enough is enough. Last fall, the people of this Nation spoke with one will to say that Government harassment is excessive. Surely this is a clear case of bureaucratic excess which is designed to prove the agency "right" and the businessman "wrong" without the least attempt to achieve justice.

This Nation is founded upon a rule of law created through a complex set of checks and balances. The establishment of regulatory agencies with power to act as prosecutor, judge, and jury with the accused's only recourse to extremely costly court procedures is a clear threat to the will of law if the agency acts capriciously and without due regard to mitigating circumstances.

Clearly, the J.S. & A. matter appears to be one of bureaucratic harassment, with the intent to leave Mr. Sugarman the only option of spending \$500,000 to avoid the \$75,000 fine. If the case does go to court and Mr. Sugarman is exonerated, this may be a classic case for the court to assess costs and legal fees against the FTC in accordance with the law passed by the Congress last year, Public Law 96-481, which I strongly supported and on the conference committee for which I served.●

AN ABUSE OF FRANKING

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. RUDD. Mr. Speaker, one of my constituents has brought to my atten-

tion a matter that disturbs me very much and ought to disturb every Member of this House.

I am speaking about what I consider to be an abuse of the franking privilege. We all have encountered similar situations, I am sure, and too often we ignore them. But I do not think we can ignore them, if we are truly here to transact the people's business.

The facts here are clear. The Congressional Arts caucus made an appeal to the arts and humanities constituency, trying to mobilize opposition to President Reagan's budget cut plans. That appeal was sent through the mail on letterhead stationery captioned Congress of the United States, House of Representatives, Congressional Arts Caucus, Washington, D.C. 20515; signed by the chairman of the caucus, and mailed in the chairman's franked envelope.

Mr. Speaker, I feel that is wrong, anyone can express opposition to anything they want, but they ought not to ask the taxpayers to pay for such a propaganda effort. And that is exactly what happens when such a letter is sent out under the frank of a Member of the House.

I ask unanimous consent to place in the RECORD the letter, the franked envelope, and the response I received from my constituent, Mr. George Getz of Phoenix, Ariz., who received the letter, and my letter to the chairman of the Congressional Arts Caucus.

HALL OF FLAME,
ANTIQUE FIRE ENGINE MUSEUM,
Phoenix, Ariz., May 8, 1981.

CONGRESSMAN FRED RICHMOND,
Chairman, House Congressional Arts
Caucus, Washington, D.C.

DEAR CONGRESSMAN RICHMOND: I have your letter of March 30th reference to writing President Reagan regarding cutting back on funds for various Arts and Humanities programs in line with his trying to balance the budget and eliminate various unnecessary government operations.

I am in the museum field, but have never received a penny of federal help in the form of subsidies, grants, etc. I am a firm believer in living within ones budget, which our Federal Government does not seem to be in favor of, nor have they practiced it for many years. No business could exist if it is run the way our Federal Government is run. When ones income does not keep up with outgo, you have to readjust your thinking and priorities. President Reagan is a firm believer in this philosophy and I support him 100%. He is not singling out any one individual project or projects, he is going across the board with cutbacks affecting everyone. I think that we should all stand up like men and accept our proportionate share of these cutbacks.

Sure, it is going to hurt, but everyone is going to be hurt to some extent. If this country expects to carry on as it has being a leader in international affairs, it must be strong and no country can be strong with the deficits we have been running up. Therefore, it is time we all cutback and adjusted to a lesser degree of depending upon government to do things for us. We need to

get out and find our own way of making our pet projects operate. Washington should not be expected to subsidize projects for us. We should be able to stand on our own feet.

I am not in favor of your proposal as outlined in your letter of March 30th and I believe that there are too many self-interests groups trying to say "don't cut me, cut the other fellow." Everyone has to take their share of the cuts!

Very sincerely,

GEORGE F. GETZ, JR.,
President.

HOUSE OF REPRESENTATIVES,
CONGRESSIONAL ARTS CAUCUS,
Washington, D.C., March 30, 1981.

DEAR FRIEND: If you are concerned about the federal government's continued support of the arts, then we need your help now.

President Reagan has recommended eliminating the Institute for Museum Services and the subsidies for non-profit bulk mail. In addition, the Administration has asked for a 50 percent reduction in the appropriation to both the National Endowment for the Arts and National Endowment for the Humanities and a 25 percent reduction in the appropriation to the Corporation for Public Broadcasting.

Few, if any arts organizations, large or small, will be unaffected if these cuts are approved by Congress. The Congressional Arts Caucus already has 135 Members of Congress, representing 34 states and five territories, who are most supportive of the arts community.

Your assistance is urgently needed to insure the continued existence of federal arts agencies. I suggest that you explain the potential financial crisis to your Board members and urge them to launch a massive letter writing campaign.

I hope every member of your Board, your organization and your patrons will write their Representative in Congress urging him or her to join our Arts Caucus. Your letter should also state your views concerning the need for continued funding for the Corporation for Public Broadcasting, the National Endowment for the Arts, the National Endowment for the Humanities, the Institute for Museum Services, and the National Trust for Historic Preservation.

Form letters and petitions won't be effective. We need personalized, individual letters from constituents to their own Member of Congress. If you need any assistance in mounting this most critical campaign, please do not hesitate to contact me.

We cannot win this fight alone but together we will be successful.

Yours sincerely,

FRED RICHMOND,
Chairman.

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., June 4, 1981.

HON. FRED RICHMOND,
U.S. House of Representatives,
Washington, D.C.

DEAR FRED: Per our conversation yesterday, I am sending to you the March 30 letter on Congress of the United States, House of Representatives, Congressional Arts Caucus stationery, mailed to one of my constituents, Mr. George Getz, over your signature in one of your Franked envelopes.

I do not regard this as a proper use of the Frank, Fred. Anyone has the right, of course, to try to organize public opinion in favor of an issue, such as the arts and the humanities. However, to use taxpayers

money in such a propaganda effort as your Arts Caucus undertook is wrong, in my opinion.

I feel very strongly about this, and I intend to extend my remarks on the subject.

With best personal regards,

Sincerely,

ELDON RUDD,
Member of Congress.

Enclosure.●

TEXAS OPPOSES SPLIT-BASING OF MX

HON. JIM MATTOX

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MATTOX. Mr. Speaker, as you know, the Townes Committee, which is studying the possible basing modes for the MX missile system, is to complete its review by the end of this month. Several of my colleagues have indicated that they would reserve judgment on this controversial issue until the committee makes its report.

I would urge them to recall, whatever the committee recommends, that this House is on record in support of basing the MX "on the least productive land available that is suitable for such purpose." If the decision comes down to a choice between the full-basing (Nevada/Utah) mode, which the Air Force prefers, and the split-basing (Nevada/Utah/Texas/New Mexico) mode, also under study, we clearly should not adopt the latter. Basing the MX shelters in the Texas Panhandle would remove from agricultural production many acres of rich farmland. We cannot be consistent with our "sense of the Congress" amendment to the fiscal year 1979 Defense Department authorization if we allow this.

Furthermore, the Air Force estimates that the split-basing mode would cost almost \$3.5 billion more than the full-basing mode initially, and that the cost of the additional operations and support requirements would be about \$19 million per year.

These issues have recently been addressed by the Texas Legislature, which adopted Senate Concurrent Resolution No. 53. I respectfully request that a copy of that resolution be entered in the CONGRESSIONAL RECORD.

SENATE CONCURRENT RESOLUTION

Whereas, United States Air Force plans call for a sheltered road-mobile basing system for the M-X missile system, and currently under consideration are plans for either full basing in Nevada/Utah or a split basing in Nevada/Utah and Texas/New Mexico; and

Whereas, A decision to adopt the split-basing mode would require the relocation of approximately 500 families and would require United States Air Force acquisition of many acres of highly productive land in Texas which would be unlikely to be reclaimed for agricultural purposes; and

Whereas, an amendment to the Department of Defense Supplemental Appropriations Act, Section 2.02(b), June 27, 1979, states that it is the sense of Congress that the basing mode for the M-X missile should be restricted to location on the least productive land available that is suitable for such purpose; and

Whereas, the January 19, 1981, Department of Defense M-X Split Basing Report to Congress states that there exists a relative balance in the environmental impact between the two alternatives, while also stating that the split-basing mode would require the additional expenditure of \$3.475 billion over the cost of the full-basing mode; now, therefore, be it

Resolved by the Senate of the State of Texas, the House of Representatives concurring, That the 67th Legislature respectfully request that the Congress do not adopt the split-basing mode for the deployment of the M-X missile system; and, be it further

Resolved, That the Secretary of State forward copies of this resolution to the President of the United States, the President of the United States Senate, the Speaker of the United States House of Representatives, Senator Lloyd Bentsen, Senator John Tower, and all members of the Texas delegation of the United States House of Representatives with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.●

ARE AMERICA'S FARMERS EXPORTING THEIR TOPSOIL

HON. JAMES WEAVER

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. WEAVER. Mr. Speaker, I would like to bring up one of the most serious issues facing our Nation today—that is the conservation of our soils. America's fertile soils are the source of our power. As long as we can feed our people, good years and bad, our Nation will have a unique source of strength in this hungry world.

Unfortunately, we are pushing to the technological and ecological limits of production on our farms. We try to squeeze out every last kernel of corn and wheat, regardless of the devastating effect on our soils. Our crops can be grown year by year; but the soil is a precious geologic resource, like oil, which can and is being depleted.

We are 30 years down the road in a long push to promote American agricultural exports. This drive has gone on regardless of the cost to the natural productivity of our land, regardless of the impact on struggling Third World farmers, regardless of the prices received by our own producers.

One good way to slow this shortsighted raid on posterity is to find a way to increase farmers' incomes from exports without causing further pushes onto marginal soils and into artificially high yields. I think that my National Export Grain Bank bill is one

good solution. It would allow us to set a minimum price on our grain exports. The difference between the export and the domestic price would be collected, stored in the bank, and returned to the growers. The bank funds could also be used to support other programs under the Department of Agriculture if Congress appropriated them.

We are the most powerful agricultural nation on Earth. We should use that power for the benefit of both our people and our land. To make empty blandishments about "letting the market take its course" is to assent to a loss of our heritage. It is an action reminiscent of the ostrich burying his head in the sand—and sand may be all we have left of our soils if we do not act now.

This fine article from the *Christian Science Monitor* of Wednesday, June 3, 1981, shows the extreme danger in which our drive for exports has placed our soils. I hope that those who read it will be shocked by the seriousness of the predicament. I hope that they will consider supporting H.R. 2901, the National Export Grain Bank, which is my effort to stop exporting our topsoil.

The text of Mr. Lauren Soth's article follows:

[From the *Christian Science Monitor*, June 3, 1981]

ARE AMERICA'S FARMERS "EXPORTING" THEIR TOP SOIL?

(By Lauren Soth)

"I am sorry to say that I see this ravishment of the soil continuing at a faster and faster pace in the past 25 years throughout the Midwest, because of the cheap food policy and extensive exportation of our farm products that are being advocated by our national leaders."—Jim Sage, Iowa farmer, in testimony before the soil conservation subcommittee of the U.S. Senate Committee on Agriculture, Aug. 15, 1980.

"What many people do not realize is that the bumper crops are coming at the expense of the soil. I am increasingly concerned that the President and Congress do not fully appreciate that Iowa is really 'paying' for our reliance on foreign oil, as Iowa farmers help with the balance-of-payments problem through our tremendous exports."—Robert Lounsbury, Iowa secretary of agriculture, in the same Senate hearings.

United States exports of grain are breaking the record again. Allowing for some overstatement by conservationist farmers of the case attributing soil losses to exports, there is such a case. It deserves public attention. This is a good time for it.

John Block, the new U.S. Secretary of Agriculture, helped start a state soil-conservation program in Illinois where he was director of the Department of Agriculture. But his enthusiasm for free markets and exports appears to override his concern about soil losses. As a state official, he pushed for export expansion of corn and soybeans, which he raises on his own farm. When he was named to the Reagan Cabinet, he said he favored lifting "immediately" the partial embargo on grain exports to the Soviet Union. "Expansion of exports," he said, "is a key to a market-oriented agricultural

policy." At the American Farm Bureau's annual meeting in New Orleans on Jan. 12, 1981, he let himself go, declaring that "given the incentive, farmers will respond, and people won't believe how we can produce so much." He said he would oppose any budget cuts in agricultural research or in promotion of exports.

Agricultural exports aren't exactly slumping, as one might think from Mr. Block's tone. In the current fiscal year (ending in September) grain exports will increase over the previous year's all-time high from 111 to 119 million tons (7 percent), according to US Department of Agriculture projections.

In all, agricultural exports are projected to reach 170 million tons compared with 164 million in 1979-80. The dollar value will be about \$47 billion, a rise of 16 percent and an enormous credit for the US balance of payments. This gain is occurring despite the world economic slowdown, short corn and soybean crops in 1980, and the partial embargo on sales to the Soviet Union. Clearly, the embargo, while it may have handicapped the Soviet Union in its grain import plans and cost it extra foreign exchange, did not slow the American farm-export boom.

Exports of grain and soybeans have been growing rampantly in the last 30 years. . . . In 1950, we exported only 15 million tons of grain, as compared with 119 million this year. The biggest growth has come in corn and soybeans (including processed soybean meal), the ingredients of meat, poultry, egg, and milk production. Rising incomes in developing as well as developed countries have lifted demand for the high-protein foods derived from livestock. Soybean exports more than tripled in the 1960s and 1970s. Feed-grain exports (mostly corn) increased sevenfold!

We now export more than 60 percent of our wheat; more than half of our soybeans, cotton, and rice; nearly a third of our corn. "In terms of competition for land," writes Philip M. Raup, a University of Minnesota economist, "we have reached a degree of agricultural export dependency for which parallels can be found only in the Antebellum cotton South or in our Colonial era. . . ."

The export expansion has called forth an expansion of land devoted to the export crops. All of the 50-60 million acres held out of production under government reward and penalty programs in the 1960s have been brought back into cultivation. In addition, other meadows and pastures have been plowed and planted with grains and soybeans. In 1950, American farmers exported crops grown on 50 million acres, 14.5 percent of the cropland harvested. By 1975, crop acres used for export had doubled to 100 million, and by 1978 had climbed to 133 million. That was a third of crop acres harvested. Since then farmers have further increased grain and soybean plantings. This year the USDA projects an increase of 14.6 million acres of wheat over the 1978 figure. Total feed-grain acreage will be down slightly, because of a switch from grain sorghum to wheat in the Great Plains, but corn plantings are expected to increase by 3.4 million acres over 1978. Soybean plantings are projected to increase by 5.9 million acres.

Part of the increase in grain and soybean land comes from continuous grain crops or, in the Corn Belt, from rotating fields only between corn and soybeans—instead of the old practice of including two years of oats and clover or alfalfa in every five- or six-year rotation. Chemical herbicides and in-

secticides make feasible these practices by controlling weeds and insects which otherwise would flourish in year-after-year plantings of corn and beans. However, this heavy cropping, especially in the case of intertilled crops such as corn and soybeans, greatly steps up the rate of erosion.

Soil erosion is a far more important problem in maintaining agricultural resources than the loss of land to agriculture for non-agricultural uses, an issue that has aroused popular alarm in recent years. The conversion of farmland to shopping centers, housing developments, highways, and factories stirs the emotions of people worried about the world food shortage.

The government's recent National Agricultural Lands Study found that 3 million acres of farmland are lost to urban development each year. But only about 1 million of the 3 million acres are cropland. . . . Now that the land retired under crop-control programs has been brought back into cultivation, the nation's total area of cropland is about the same as in the 1920s and 1930s, around 400 million acres.

Vast additional areas could be brought into crop production by clearing, drainage and irrigation, but at high cost—and much of the land would be fragile, with thin soil especially vulnerable to water and wind erosion. It would be sounder national investment policy to protect our most productive cropland against deterioration.

Undoubtedly, the nation could continue to expand grain and soybean production, given favorable weather, by developing new cropland, applying better erosion control on all cropland, and by adding more fertilizer and pesticides—though probably not as robustly as Secretary Block suggested in the full exuberance of a freshman Cabinet officer at the Farm Bureau meeting. After all, the new cropland brought in would be much less productive than what farmers are planting now, and nearly all of the most productive land is already being farmed with the latest technology (except for erosion control).

The crux of the food-agriculture problem facing America is soil resource maintenance vs. unrestrained grain exports. At the rate exports are increasing, the danger of over-exploitation of the land with permanent damage to productivity is becoming imminent. Yet exports have been the lifeblood of American agriculture, the most productive in the world, and are vital to farm prosperity.

II

Exports of agricultural products have always been important to America—from Colonial tobacco and indigo to cotton; later to wheat, rice, pork, and lard; and then to corn and soybeans.

But the most recent rise in exports of agricultural products is truly phenomenal, even in American history.

Agricultural exports began to expand in the Eisenhower administration, and much of this expansion was initially accomplished through subsidies under Food for Peace. Wheat exports under P.L. 480 averaged 12 million tons a year from 1960-61 to 1965-66, then fell to around 5 million tons in the early 1970s and were surpassed by commercial sales. Feed-grain exports under P.L. 480 have always been small and soybean exports negligible. The increase in exports of these feedstuffs has been almost entirely a commercial proposition, fueled by world prosperity and active promotion by feed-grain and soybean sales organizations.

With technological advance specialization, further increasing export-crop production. The case of corn is instructive. Post-World War II hybrids could use larger amounts of fertilizer effectively, withstand dry weather, and yield more. The availability of cheap chemical fertilizer to replenish nitrogen made it possible to eliminate legume rotations and to cut the hard work of spreading manure. Continuous corn became feasible throughout the corn belt, especially on flat land. Fertilizer from factories replaced nutrients (at least all that seemed essential), and chemical insecticides handled the bugs which otherwise thrived in continuous cornfields. Larger machinery permitted planting, cultivating, and harvesting bigger fields with less human work time. Moreover, chemical herbicides enabled farmers to greatly reduce cultivation for weed control. . . .

Specialization increased the vulnerability of large-scale producers to the economic vicissitudes of one commodity or two. . . .

The petroleum crisis also stimulated the drive to expand farm exports in the 1970s. The country's unfavorable balance of payments encouraged the government to push for larger dollar earnings from the sale of farm products overseas. Government spokesmen have often elucidated the value of increasing farm exports at a time of rising oil-import costs, though the main cause of larger grain exports, of course, has been rising income per person abroad.

Two new economic forces could have restraining effects of farm specialization and farm size in the future.

One of these is the energy problem—rising costs of, and dependence on, foreign oil. Big farming and agribusiness no doubt will continue to be able to obtain favorable allocations of scarce energy resources for agricultural power, pesticides, and fertilizer. Nevertheless, farmers may shift to more crop rotations, use of organic fertilizers, and biological controls of pests if oil prices continue to mount, as they certainly will.

The second restraint on farm enlargement and exports may come from the deteriorating condition of farmland, caused by overcropping and excessive use of chemicals.

III

The rapid growth of export demand for American foodstuffs and the inexorable progression of population in the third world have led to Malthusian alarms. America and other developed countries should economize on the use of grain in livestock feeding, it is said, saving more for direct consumption by less developed countries. In addition, America should not allow Japan, Europe, the Soviet Union, and other high-income countries to buy our grain for feeding livestock and enriching their already adequate diets. We should reserve more of our supply for needy countries.

Experience in the 1970s showed the usefulness of large grain reserves in softening the shocks of variations in world production. The United States has made efforts to establish a cooperative grain reserve program with other countries, as proposed by directors general of the UN Food and Agriculture Organization and several national and international food study groups. But that has not panned out; the other rich countries appear to be unwilling to help pay for a reserve program with the United States dominating such a massive share (two-thirds this year) of the world grain trade. But the stake of the United States itself in a more stable grain market could well justify a bigger national reserve pro-

gram than we have been carrying. Moreover, the United States has always recognized a responsibility to provide relief for famine and emergency food shortages in poor countries. Building an adequate reserve of grain should be high on the new administration's agenda.

President Reagan and his food-policy advisers will have to make farm production and export decisions with such considerations in mind. Much as it goes against the free-trade, free-enterprise doctrines of the new administration, a government policy on the disposition of grain exports will be necessary in the future—sooner rather than later if the world should run into a series of dry years in the major grain-growing areas of North America, India, the Soviet Union, and China at the same time.

The earth's finite supply of petroleum and natural gas, plus the cartel pricing policies of leading world producers outside North America and the Soviet Union, have caused Americans to turn to what are called "renewable" resources for producing energy. Of these, organic materials including crop wastes, garbage, wood, sugar cane (used extensively in Brazil for alcohol fuel), sugar beets, and grain are being studied as sources of alcohol, primarily for transport-vehicle fuel. In the United States, corn has been seen as the principal source, mainly because of the abundant supply. The Carter administration started a large-scale corn-ethanol program, with loans and grants to encourage development of fermentation and distilling factories.

Conceivably, the gasohol market could take as much as a billion bushels of corn (25.4 million tons) a year by the end of the decade, assuming the government subsidies increase with inflation.

The claims of the "feed the world" idealists, the commercial grain exporters, and the gasohol promoters cannot all be met without strain on domestic food consumers; that is, everybody. Choices must be made. These claims all stem, fundamentally, from the long history of American agricultural surpluses, bountiful production, world-leading agricultural research, and the tradition of big exports. The idea of scarcity of food production has never entered the head of the typical American farmer—or the city-dweller once removed from the farm, for that matter.

But the bigger claim, if one looks beyond the near decades, is to consider the state of the nation's agricultural resources. Long-range planning has not been a notable characteristic of this democracy. But our oil is clearly running out, and so is the most precious of our resources—topsoil.

IV

Soil productivity has sometimes been viewed as a renewable resource: You can replace the depleted nutrients with chemical fertilizers. Shortly after World War II, when new fertilization and weed- and insect-control methods were being adopted rapidly, the soil conservation movements which had bloomed in the 1930s began to fade. I remember a frontrunning farmer telling me in the early 1950s that it was foolish to worry about losing topsoil. He advocated growing corn and soybeans on the hills, saying he could restore the natural soil productivity with chemicals; he scorned growing clover and alfalfa as money losers.

In less extreme form, many farmers followed this policy, and so did the agricultural scientists and educators at the Land Grant agricultural colleges. . . .

Soil scientists who expressed alarm about losses of topsoil didn't get much of a hearing until recently. The chronic tendency to overproduction of farm products and the deliberate removal from production by government policy of 50-60 million acres of cropland made concern over soil resources seem absurd. But the return to full farm production in the 1970s and more evidence of big soil losses have forced a new look.

The National Resources Inventories conducted by the USDA three years ago showed that erosion is taking place on much of the nation's best cropland at a faster rate than the soil can be replaced. Topsoil lost by erosion is slowly rebuilt through weathering of the less productive subsoil, and the process can be speeded to some extent by cultivation and large additions of nutrients and organic matter.

The USDA has assigned soil-loss tolerances for most cultivated lands. These "T-values" never exceed five tons per acre per year (equivalent to about a half-inch in 15 years). For thin soils the tolerable level of soil loss is less than five tons. Losses beyond the T-values signify a deterioration of the resource and a long-term decline in productivity. That is the topsoil is not replacing itself. The T-values are in some dispute among soil scientists, but they give us a rough measure of the state of soil resources. . . . The USDA inventories indicated that 97 million acres of cropland are eroding at rates exceeding five tons per acre per year. . . . That's about a quarter of the nation's cropland.

In critical areas, soil losses are much greater. Nearly a third of the land in row crops in the Southeast, and in the corn belt about a fifth of the row-crop land, is eroding at the rate of 10 tons per acre per year. "Iowa," its secretary of agriculture said, "has the dubious honor of having the highest average soil loss of any state in the nation." Western Tennessee is another area with heavy soil losses from water erosion. Heavy cropping of corn and soybeans is the reason in both places.

As export and other demand for food increases, the pressure rises on land susceptible to erosion. Even the relatively flat lands of Iowa are eroding badly, from both water and wind. What is worse, though, is the washing of hilly land brought into row-crop cultivation in response to high prices for corn and beans.

John Timmons and D. C. Cory, of Iowa State University, have estimated that under a "high export scenario" through 1985 soil erosion losses for the corn belt would increase by 72 percent—and their scenario was considerably below the actual exports of 1979-80 and 1980-81. . . .

Nobody knows for sure how long present soil losses can be experienced without a decline in national food-producing capacity. Erosion may not be the only cause of deterioration of soil resources from heavy grain cropping. Compaction of the soil from big machinery on large-scale, one- and two-crop farms already is a problem in some places. Bigger machines with more power may solve this problem for a while, but there must be limits. The relations between soil productivity and rates of erosion and soil compaction are not precisely known. It is evident, however, that there is an analogy between overuse of cropland and the extraction of petroleum or coal. As John Timmons has pointed out, both soil and petroleum are formed by geological processes. Through excessive erosion, soil becomes an exhaustible resource—essentially nonrenewable. Petroleum is des-

tinged to have a short lifespan on Earth, but topsoil can be used and reused indefinitely if properly cared for.

In sum, evidence is accumulating that our use of agricultural resources is verging on the reckless, that the soil is being mined to the detriment of productivity for the long run. Agricultural production and foreign trade policies up to now have ignored the long-range resource maintenance factor. It is time for a change.

v

America's food-producing capacity is a powerful asset to the domestic economy and to this country's conduct of world affairs. Despite the wonders of modern agricultural technology, this capacity rests heavily on the nation's primeval soil and water resources. Agricultural and foreign trade policies which result in overexploitation of soil resources and a loss of sustainable capacity to produce would endanger the nation's future.

How then can we preserve the resources that make our food-producing capacity possible? The answer must be threefold: setting priorities among major claimants on agricultural production; a natural resource conservation policy, including both protection for farmers and incentives for their participation; and, finally, intensified technical assistance to developing countries for their food production.

Considering the ominous reports on soil losses from the nation's most competent soil scientists, one possible source of strain on the land could be eliminated with minimum pain—gasohol. Despite the wild projections of some biomass alcohol promoters, the hard fact is that a significant amount of transport fuel from grain would be very costly in terms of food supplies and soil depletion....

It would be disastrous to try to run our cars by using food resources for the job.

The farmer has a legitimate claim to protection against a policy of conserving resources that would limit his markets and lower his prices—even if the land being conserved is his private property. The fact is that soil conservation—including investment in terraces, contour farming, and the withholding of land from cash-crop production—is too costly for most farmers to do on their own. The average farmer does not have a long enough planning horizon to justify the investment. He cannot expect the land to improve enough to pay off for him in the 25 or 30 years he expects to be farming.

So any national agricultural resource conservation policy that will work must include means of paying the farmer to cover his extra costs. The acreage set-aside system provided in the 1977 Agricultural Act is one device for reducing production and holding it more or less in line with a reduced export volume, thus offsetting the effect of lower exports on prices. The act expires this year. It could be modified to assure the adoption of more conservation practices, but that would cost more money, which President Reagan does not want to spend.

After all those 40-odd years of crop acreage limitations, a really fair and effective plan has yet to be devised. Paying farmers subsidies for withholding land and for preventing erosion probably would be fairer and more effective, however, than paying subsidies based on number of pounds or bushels produced. The latter method simply rewards efforts to conserve less and produce more on the eligible land.

If the United States is to maintain its food-producing capacity, it will have to take

action to prevent deterioration of the soil base. That very likely means in the next two decades the withholding of production of grain and soybeans to some extent, depending on the ability of new agricultural research and technology to increase output per acre without soil losses. This will be extremely difficult to accomplish politically at a time when world demand from both developed and underdeveloped countries is certain to increase, because of population growth and income improvement.

But America cannot "feed the world"—that is, meet foreseeable food deficits—under any conceivable circumstances, even with all-out production now—to say nothing of the needs in the 21st century, soon to be upon us. Concern over the world's hungry and malnourished must be turned toward development of their local food-producing power. Allowing them to become dependent on the United States for steady supplies of grain, and serving as a ready reserve granary as well, is no service to the hungry—because we can't keep it up.

Plowing money, fertilizer, seed, technical assistance, and, above all, applied research into the agriculture of the developing countries would pay off far better than exhausting the soil productivity of America in order to supply the mounting world demand.●

MAKING PBS INDEPENDENT

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. COLLINS of Texas. Mr. Speaker, soon the Corporation of Public Broadcasting authorization bill will come to the House floor for a final vote. I would like to bring to my colleagues' attention selections of a lucid commentary by R. Emmett Tyrell, Jr., in the June 1 Washington Post. Mr. Tyrell clearly points out the need for reduced taxpayer spending for PBS.

I propose the funding figures be brought in line with the Reagan budget to \$110 million for fiscal year 1984, \$100 million for fiscal year 1985, and \$100 million for fiscal year 1986.

We must keep public broadcasting in proper perspective when budgeting a reduced amount of Federal tax dollars.

The following from the Washington Post is Mr. Emmett Tyrell's sound reasoning in support of moderate budget reductions for PBS.

The mulcting of the middle class for the benefit of the poor and the rich is luminously manifest in the activity of the Public Broadcasting Service. Established as an alternative to commercial television, PBS's special audiences were the poor and the rich. The poor were to get educational programming and local access. The rich were to get culture. In these endeavors PBS has been tolerably successful. It has been particularly successful in cultural programming. Four nights a week it brings splendid productions of the performing arts to the tube.

Unfortunately, it has also been expensive. Federal aid to non-commercial television has swollen from a few million dollars in the late 1960s to more than \$200 million in 1980. The Reagan administration wants to de-

crease this sum over the years ahead until the taxpayers' bill comes to only \$100 million. I say this will still be highway robbery.

There are in Washington and elsewhere in the land a growing number of Reagan supporters who judge the Reagan administration's budget cuts moderate. They believe that the growth of government over the past 15 years has been extravagant to the point of seriously debilitating our productive power, and they believe many of the programs that have accumulated ought not to be pruned but rather abolished.

Lewis Lehrman, chairman of the Rite Aid Corporation, says "the Reagan administration's present budget cuts are necessary but not sufficient. The budget program heads in the right direction but only a budget balanced at the current level of tax receipts will restore financial order. Thus the cuts should be deeper." In the case of PBS, the cuts can go \$100 million deeper.

But PBS is about to be rendered thoroughly obsolete. Its funding will be merely a waste. Why not phase it out totally?

Advances in television technology are about to give the highbrows their cultural broadcasting and the poor their local access without costing the taxpayers anything at all. Very soon every home will be able to have as many as 60 channels linked to its television. Discs and cassettes are available. Now a half-dozen new commercial programmers are laying their traps for the PBS audience. Already one of these commercial programmers has lured the British Broadcasting Corporation away from PBS. In time, all that will be left will be PBS's 250 local stations and its costly bureaucracy.

ABC and CBS believe that they will be able to lure away PBS's highbrow audience and are making elaborate plans for their own cable networks. Apparently, many at PBS suspect these commercial ventures will succeed. Some are exiting PBS to form their own production companies. Others are letting up a howl. There really is no reason for howls. Rather, let us have some applause. PBS under Lawrence Grossman has shown that there is an audience, admittedly scarcely 5 percent of the whole television audience, eager for cultural fare. Working with such public stations as WNET in New York and WGBH in Boston, Grossman has created many useful programs. But now it is time to get PBS off the taxpayers' backs—and at a savings of \$100 million.●

JAMIE WHITTEN: LIVES AND TIMES

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mrs. BOGGS. Mr. Speaker, a couple of weeks ago my hometown newspaper, the New Orleans Times-Picayune, published an article that provides a very fine profile of our dean and the chairman of the Appropriations Committee, JAMIE WHITTEN. It is rare that we see such a sensitive and thorough treatment of a public figure in a relatively short column.

I would like to share this article with my colleagues. It appeared in Edgar Poe's "Washington Panorama" column of May 16.

JAMIE WHITTEN: LIVES AND TIMES
(By Edgar Poe, Washington Bureau)

WASHINGTON.—The tiny town of Cascilla in Tallahatchie County, Miss., erected a historical marker years ago. It noted that the site was formed in 1833 after the Choctaw Indian cession.

Furthermore, it proudly proclaimed that the community of some 300 people (more or less) was the home of two distinguished sons, Mississippi Attorney General Greek L. Rice, now deceased, and Congressman Jamie L. Whitten.

Jamie Lloyd Whitten, elected to the House of Representatives 21 times, the first in November 1971, is the senior in length of service in the 435-member U.S. House of Representatives. By coincidence, second in tenure in the 97th Congress is a fellow Mississippian, Sen. John C. Stennis.

Chairman of the powerful 54-member House Appropriations Committee, he has never been busier during his 40 years in Congress, as a result of the Reagan administration's far-reaching budget and tax-cutting legislation. As a House Democratic leader, he has been cooperating with the Republican White House in connection with President Reagan's program.

As evidence of this he has been invited to the White House for conferences with President Reagan. He has a color photo of the president, Vice President George Bush and himself hanging in his office in the Rayburn House Office Building. He served in the House with Bush. Other fellow House members included Lyndon B. Johnson, Richard M. Nixon and Gerald R. Ford.

Whitten, after attending the University of Mississippi and the Ole Miss Law School, was principal of the Cowart Consolidated School in Tallahatchie County at the age of 20, long before the Harper Valley PTA and the Tallahatchie River became famous in movie lore.

He has served in Congress under eight presidents. When the 97th Congress convened in January, as dean of the House he administered the oath of office to House Speaker Thomas P. O'Neill Jr., D-Mass.

His long career of public service began when he was elected to the Mississippi House of Representatives when he was 21. His first vote was cast for himself. It was during the depth of the Great Depression of the early 1930s.

As the Mississippi First District congressman, he currently represents 20 of the state's 82 counties. He married the former Rebecca Thompson of Saltillo, Miss. Their children are Jamie L. Whitten, Jr., Washington, D.C. attorney, and Beverly Merritt of Washington.

Martin Sennet "Mike" Conner, one of the foremost governors in the history of the Magnolia State, was a brave man. The state government of Mississippi could not pay its teachers or its telephone bills. There was not enough money in the treasury to buy postage. Gov. Conner, to save the state from bankruptcy, called for a sales tax on everything from the cradle to the grave. Gov. Conner had his life threatened more than once.

Jamie Whitten, a member of the Mississippi House Ways and Means Committee, voted for the sales tax in committee and worked for its passage on the floor. This was perhaps the first blanket-type statewide sales tax in this country's history. The tax changed the history of Mississippi by shifting the tax base. Many other states and municipalities subsequently patterned tax measures after the Mississippi impost.

On March 3, 1932, the Mississippi Sun at Charleston, county seat of Tallahatchie, in a dateline dispatch from Jackson, said Whitten had taken the bar examination in the Capital City, and "out of a group of 39 applicants led the list."

At the age of 22 he became a partner in the Charleston law firm of Denman, Breland and Whitten. When he was 23 he was elected district attorney of a circuit covering Tallahatchie, Yalobusha, Panola, Tate and DeSoto counties.

Rep. Whitten, now 70, was elected to Congress at 31. The seat became vacant when U.S. Sen. Pat. Harrison of Gulfport, chairman of the Senate Finance Committee, died U.S. Rep. Wall Doxey resigned from the House to run for the Senate in the special election and was elected. Whitten ran for the seat vacated by Doxey and was elected.

After 14 months in Congress, Whitten was elected to the House Appropriations Committee and became its chairman in 1979. Thus Mississippi became the 15th state to have a member as chairman of the Appropriations Committee. As a member of that committee he has been a continuous supporter of river and harbor projects and a staunch supporter of the farmer. Twenty-nine times he has spearheaded opposition to efforts of presidents to abolish the soil conservation programs.

Whitten made the successful motion to override President Eisenhower's veto of a public works bill involving the now important Pascagoula, Miss., harbor, legislation that helped make it one of the leading shipbuilding points. It marked the only time an Eisenhower veto was overridden.

The Mississippian said in an interview a few days ago that he had a role in the House Appropriations Committee in getting the Tennessee-Tombigbee Waterway project "off the drawing board and under construction." This \$2 billion barge waterway, now about half completed, will link the two rivers, via Columbus, Demopolis and Mobile, with the eastern Gulf of Mexico.

Although a lawmaker in Washington for four decades, Whitten still regards himself by temperament as an attorney. Said he, "I enjoy being right and proving it." As chairman of the Appropriations Committee, he is a member of all appropriations subcommittees. Since coming to Washington, he believes the congressional workload has increased 100 times for members and their staffs.

New that Cascilla's native son is the dean of the 97th Congress, perhaps it is time for the little town, four miles removed from the edge of the eastern border of the Delta, to erect a new marker. Mississippi Gov. William F. Winter, and the mother of Mississippi Lt. Gov. Brad Dye, are also natives of the Cascilla area.●

PRESIDENTIAL AUTHORITY AND RESPONSIBILITY COVERED IN INDEPENDENT AGENCIES' REGULATORY REFORM MEASURE

HON. ROBERT MCCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. MCCLORY. Mr. Speaker, I am today introducing a bill to give the President authority to exercise the same kind of review over proposed reg-

ulations by independent agencies that he exercises over executive branch agencies. Senator ROTH is introducing companion legislation in the Senate.

The language of the bill is straightforward and its intent simple. By written directive, the President may require an agency to, one, transmit to the President or his designee any notice of proposed rulemaking and any document relating to such notice at least 60 days prior to publication in the Federal Register; two, delay or refrain from publishing such notice; three, consider, reconsider, or make a decision concerning the adoption of a proposed rule; or, four, take any final action with respect to a proposed rule that is (A) consistent with the enabling statute and other applicable law from which the rule derives; (B) supported or justified by any record of documentation of the rulemaking proceeding, and (C) in the judgment of the President, necessary or appropriate to minimize conflict or interference with the achievement of significant statutory objectives.

Mr. Speaker, the Code of Federal Regulations today is contained in 165 volumes. In 1936, the first issue of the Federal Register was 16 pages long. Today's average daily Federal Register has grown to 200 pages. In 1970, the yearly number of pages was around 20,000; in 1980, the yearly number of pages had increased to something on the order of 74,000, nearly a quadrupling in a single decade. Clearly, the time has come to do everything we can to begin to cut back the regulatory maze by eliminating unnecessary and duplicative rules.

The legislation Senator ROTH and I are introducing simply enables the President to conduct a review of independent agency rules similar to that which he conducts of regular executive branch agencies. Because there has been some question as to the President's role in connection with these independent agency regulations, we have drafted legislation clarifying the President's authority. This should bring consistency and organization to the overall process of reviewing proposed rules, and of course the hope is that we will be able to achieve greater coherence in the total body of our regulatory language and perhaps some reduction in the weight of this burden and long overdue relief to the American public and American business.●

EASING THE INHERITANCE TAX FOR MENTALLY AND PHYSICALLY DISABLED CITIZENS

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. EDGAR. Mr. Speaker, last week I introduced H.R. 3709, a bill designed to ease the tax burden on the approximately 42 million physically and mentally disabled people in the United States. The current Tax Code makes no allowance for their special condition and imposes the same rates on them as on other citizens. H.R. 3709 would change that.

One of the cruelest taxes on the disabled or mentally retarded is the inheritance tax. Under current law, a 32-percent tax is levied on any estate over \$175,000. This amount comprises such things as savings, home and property value, and any insurance benefits. This tax may be fair to the ordinary citizen who is able to work to support himself/herself, but to mentally and physically disabled people it eliminates a sizable chunk of the money they need to support themselves for the rest of their lives.

There are proposals to ease some of the economic pressures on the disabled and the retarded. In particular, I have cosponsored legislation introduced by Representative Tom DOWNEY which calls for the creation of an I.R.A.-like account which parents can use for the benefit of their disabled child. However, due to limitations on the yearly amount that can be deposited in the accounts, they offer little relief to elderly parents who saved all their lives to provide for their disabled children.

H.R. 3709 would give the disabled or retarded person a \$250,000 exemption from the inheritance tax. This exemption is modeled after one for the same amount now extended to estates left to a surviving spouse. In effect, H.R. 3709 would simply expand this "spousal exemption" to estates left to disabled or mentally retarded children. To insure against abuse the bill provides that the recipient must be a child of the decedent either by blood or legal adoption and defines "disabled" in the terms already used in other IRS exemptions.

In practical terms, H.R. 3709 will enable the mentally and physically disabled to be self-sufficient. In these days of less government I think it makes sense to help people live on their own rather than rely on government programs. Most importantly, I think H.R. 3709 will give the physically and mentally disabled a measure of dignity and hope. The text of the bill is as follows:

H.R. 3709

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. ESTATE TAX DEDUCTION FOR PROPERTY PASSING TO A DISABLED INDIVIDUAL WHO IS A CHILD OF THE DECEDENT.

(a) IN GENERAL.—Part IV of subchapter A of chapter 11 of the Internal Revenue Code of 1954 (relating to taxable estates) is amended by adding at the end thereof the following new section:

"SEC. 2058. BEQUESTS, ETC., TO DISABLED INDIVIDUALS WHO ARE CHILDREN OF THE DECEDENT.

"(a) ALLOWANCE OF DEDUCTION.—For purposes of the tax imposed by section 2001, if—

"(1) the decedent does not have a surviving spouse, and

"(2) the decedent is survived by a disabled child who, immediately after the death of the decedent, has no known parent,

then the value of the taxable estate shall be determined by deducting from the value of the gross estate an amount equal to the value of any interest in property which passes or has passed from the decedent to such child, but only to the extent that such interest is included in determining the value of the gross estate.

"(b) LIMITATION.—The aggregate amount of the deductions allowed under this section (computed without regard to this subsection) with respect to interests in property passing from the decedent to any disabled child shall not exceed \$250,000.

"(c) DISABLED CHILD DEFINED.—For purposes of this section, the term 'disabled child' means an individual who—

"(1) is a child of the decedent by blood or legal adoption, and

"(2) is physically or mentally incapable of caring for himself (within the meaning of section 44A(c)(1)(B)).

"(d) LIMITATION IN CASE OF LIFE ESTATE OR OTHER TERMINABLE INTEREST.—A deduction shall be allowed under this section with respect to any interest in property passing to a disabled child only to the extent that a deduction would have been allowable under section 2056(b) if such interest had passed to a surviving spouse of the decedent.

"(e) IDENTIFICATION OF PROPERTY PASSING FROM THE DECEDENT.—The determination of whether an interest in property passes from the decedent to any person shall be made in accordance with section 2056(d).

"(f) APPLICATION WITH SECTION 2057.—A deduction under this section shall be in addition to any deduction for which a disabled child may qualify under section 2057."

(b) CLERICAL AMENDMENT.—The table of sections for part IV of subchapter A of chapter 11 of such Code is amended by adding at the end thereof the following new item:

"Sec. 2058. Bequests, etc., to disabled individuals who are children of the decedent."

SEC. 2. EFFECTIVE DATE.

The amendments made by the first section of this Act shall apply to the estates of decedents dying after December 31, 1981.●

SUPPORTING VETERANS' LEGISLATION OF JUNE 1, 1981

HON. THOMAS M. FOGLIETTA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. FOGLIETTA. Mr. Speaker, I commend the gentleman from Mississippi, Mr. MONTGOMERY and his Veterans' Affairs Committee for their fine work, and I also applaud my colleagues in this body for their passage of H.R. 2156, H.R. 3499, H.R. 1714, H.R. 1100, H.R. 3423, and H.R. 2039. I have long been concerned about the plight of our veterans, particularly of the Vietnam era, and I believe that this legislation represents important programs for these brave Americans.

The effects of these resolutions cover a broad range of veterans' issues. For instance, individuals who believe that contact with the chemical defoliant, agent orange, is responsible for their current health problems are now eligible for VA hospital care. This benefit, which becomes available after a VA doctor identifies agent orange as a possible cause of the illness, will ease the burden inflicted by this toxic substance. Also, the scope of the current agent orange study will be expanded to include other chemicals utilized during the Southeast Asian conflict.

Another grave medical problem confronting the Vietnam veteran is the battle trauma many still experience even after having been out of combat for several years. Tuesday's action addresses these difficulties. Previously, the VA's psychological readjustment counseling program had been scheduled to expire at the end of fiscal year 1981. However, because of the Veterans' Health Care Act, this important, highly successful program received an extension to the end of fiscal year 1984. Despite the opposition of the Reagan administration, this body passed a compassionate piece of legislation to ease the suffering of our courageous vets.

Our veterans' financial, as well as physical and emotional, well-being was also greatly improved on Tuesday. The Veterans' Training and Business Loan Act attempts to rectify the unemployment problem rampant among these former soldiers. I believe that the 2-year extension for on-the-job training and vocational education provides for the development of marketable skills. With the veterans' business loan program, \$25 million is earmarked for small business loans to help vets create and nurture entrepreneurial activities.

Such diverse groups as the American Legion and the National Association of Home Builders have declared their support for veterans' home loan guarantees. I also strongly endorse this

bill, as it authorizes the VA to insure home mortgage loans which have provisions for graduated payments plans. With prohibitively high interest rates showing no sign of subsiding, this program is essential for veterans to continue in the great American tradition of private homeownership.

For veterans in Philadelphia and elsewhere, I again heartily cheer these instances of compassionate legislation.●

CONGRESSIONAL SALUTE TO THE HONORABLE AGNES BROOKS

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. ROE. Mr. Speaker, on Tuesday June 9, the residents of my congressional district and the State of New Jersey will join with the officers and members of the Lenni-Lenape Girl Scout Council of New Jersey in honor of a most distinguished citizen, community leader, and good friend, the Honorable Agnes Brooks, whose 60 years of outstanding service and exemplary achievements in girl scouting of national and international significance, has truly enriched our community, State, and Nation.

Mr. Speaker, we are all aware of the meaningful investment in the enrichment of the quality of our way of life that girl scouting has made here in America and in testimony to the leadership endeavors and sincerity of purpose that Miss Agnes Brooks has made, generously and unselfishly extending her time and personal efforts over the past three decades to the youth who participate in scouting. I would like to insert at this point in our historic journal of Congress a profile of Miss Agnes dedicated to the girl scout program—the meaning of the promise and laws, service to others, troop management by the girls themselves, citizenship, international friendship, health, and safety—as follows:

MISS AGNES BROOKS

Miss Agnes Brooks, recipient of the prestigious Juliette Low World Friendship Medal, celebrates her sixtieth active year in Girl Scouting this year.

Miss Brooks began Girl Scouting in Paterson in July of 1921, in what was then Troop No. 1. The troop leader was Miss Eva Vene-man, a charter member of the original Troop No. 1 which was started in 1917.

In 1924 Miss Brooks joined a newly organized troop at the Lakeview Presbyterian Church, rising in rank from Second to First Lieutenant, and four years later to Captain. The Troop was known as Lakeview No. 2 until 1934, when with the changing of troop numbers by the Council, it became Troop No. 33. (It remains an active troop.) Continuing as a leader through the years, Miss Brooks has seen more than a thousand girls

share in the Girl Scout Program. At present Miss Brooks is a registered Girl Scout Adult assisting the Council in promoting international scouting and the Juliette Low World Friendship Fund.

She resigned the chairmanship of the Paterson Neighborhood in June, 1977 and continues to assist her community in promoting international Girl Scouting and Girl Guiding events and programs.

Miss Agnes, as she is fondly called, has a special interest in the International Program. She has visited Our Chalet four times: in 1956, 1959, 1964 and 1967. She stayed at Olive House five times, and a very special memory is having tea with Lady Baden-Powell at Hampton Court in 1956. Miss Brooks tells of five trips to Our Cabana; the warm hospitality of the Hostel Buitenzorg in the Netherlands; and the charm of La Nef, the French Girl Guide Hotel near the Louvre in Paris. Miss Agnes says, "I have many wonderful memories; Girl Scouting is giving and getting a great deal."

With each visit Miss Agnes brought back pictures, brochures, crafts, souvenirs, skills; all of which she shared with troops, leaders and other neighborhoods. She is especially proud to have worked on a community service project with Mexican children while at the Cabana.

Miss Brooks continues her correspondence with Scouts and Guides throughout the world. Each year Miss Agnes sends each a Council calendar and when she receives Girl Scout/Guide material from others, she shares it with girls and leaders. (Example: "Matilda" from Australia).

Miss Brooks, as a leader and community chairman, annually planned international dinners with her troops, having each girl bring a food representing her heritage. She also organized an annual international food day for Leader's meetings.

Miss Brooks, a "Council Fire" subscriber, distributes all copies to interested leaders. She encourages girls to work in the World Trefoil Badge—First! Her other activities include troop tours of ethnic neighborhoods, the United Nations building, and sharing the UNICEF game "Lingo" in three languages available for her troops.

Miss Brooks was a national staff member for 35 years. She was secretary to the fiction editor of American Girl magazine and secretary to the editor of Girl Scout Leader. Miss Brooks retired from G.S.U.S.A. in January 1972 when she was with the membership development unit.

We salute Miss Brooks, who currently resides at Dey Street, Paterson, and congratulate her on 60 years of Girl Scouting, 60 years of love, warmth, understanding and service.

Mr. Speaker, I appreciate the opportunity to seek this national recognition of Miss Agnes Brooks and all of her good deeds on behalf of the youth of America. Her direction, personal commitment, and substantive contribution to our young people throughout her 60 years of active membership in the Lenni-Lenape Council of New Jersey extended in the tradition of the Girl Scouts of America have truly helped to work toward the highest standards of excellence in the quality of life for all people in our Nation and throughout the world. We do indeed salute a great lady, beloved Girl Scout

leader and outstanding American—the Honorable Agnes Brooks.●

MEMBERS COMMENDED—H.R.

1714

HON. DANIEL K. AKAKA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. AKAKA. Mr. Speaker, I want to commend the chairman, Mr. MONTGOMERY, and the members of the committee for taking such quick action on H.R. 1714, a bill to provide memorial headstones or markers for those veterans who chose to donate their bodies to science, were cremated, and whose ashes were scattered without internment, or who were buried at sea.

Once this omission in the law was discovered, the committee was quick to see the need to provide this service historically available to all veterans to the few that had been inadvertently left out. I am certain that the relatives of veterans and veterans themselves will not fail to be grateful for the committee's work. I am proud to add my support for this measure which was initiated from Hawaii.●

NOW IS THE TIME TO CRACK THE OPEC CARTEL

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. LANTOS. Mr. Speaker, the extortionist international oil monopoly is crumbling, and if we move now—and fast—we have a historic opportunity to crack the OPEC cartel. World oil prices are collapsing in the face of huge inventories and declining demand. If our great Nation acts at once—with decisiveness, intelligence, and courage—we can break the stranglehold of the petroleum colossus.

Although some of his suggestions will undoubtedly be controversial, William Safire, in this morning's New York Times, has presented a thought-provoking agenda which I am inserting into the RECORD to stimulate public discussion and decisive action at this critical moment.

[From the New York Times, June 4, 1981]

ESSAY—GLUTS TO THE GLUTTONS

(By William Safire)

WASHINGTON.—The time is ripe to crack the OPEC cartel.

For nearly a decade, oil producers have combined to force the rest of the world to pay all that the traffic would bear. An international monopoly has helped inflict a raging inflation on the world, stunted the growth of the poorest nations and brushed off all criticism of its price fixing with a cool "business is business."

Now all that is changing. High prices reduced demand for oil more sharply than anyone predicted, and enabled competing sources of energy to grow. Three years ago a "glut" appeared but was quickly absorbed by the economic collapse of Iran; last year another oil glut threatened but was postponed again by the Iran-Iraq war, which took another giant out of production.

Today the world is awash in oil. ("Awash in oil" is a mandatory phrase in all writing on this subject.) Refineries are refusing shipments; twice as much oil as normal is floating in tankers and storage; this week Mexico, not an OPEC member but tied to its pricing, lowered the price of crude oil by \$4 a barrel; Britain and Norway are likely to follow. Nigeria, an oil-rich but cash-poor member of OPEC, is under pressure to lower its price.

Why the turnabout from shortage to oversupply? Not, as State Department Arabists fondly believe, because Saudi Arabia is producing 10 million barrels a day instead of its usual 8 million; that "favor" picks up less than one quarter of the production lost by the disappearance from the market of Iran and Iraq. Within a year, some Iraqi production may be back and the Saudis would cut production without sopping up the glut.

The reason for glutsmanship is plain: The high price is being artificially maintained by the monopolists; in a normal market, the unfixed price would drop. Thus the moment is propitious to smash the cartel. Not to weaken it, or induce it to be more reasonable, but to break it once and for all. Nothing personal, not for revenge; simply in our own economic self-interest.

The United States is the world's largest oil importer. Here is how we, acting alone, could bring the cartel to its knees:

1. Impose a \$5-per-barrel import fee. What? Raise prices about a dime a gallon of gas? Are you crazy? Like a fox: the present high price of oil has reduced demand, encouraged conservation and brought in new sources of energy. A higher price would make oil even less attractive, ultimately forcing the producer's price downward. Meanwhile, the top \$5 will stop flowing out to the sheikhs and start flowing into the U.S. Treasury to the tune of \$10 billion a year.

This idea was hooted at when proposed, in an extreme form, by John Anderson last year. But if repackaged as part of the plan to flex American economic muscle—with the proceeds to be refunded via tax credits used to lower income taxes—it ceases to be laughable.

2. Set import quotas for oil. This is a device to get monopolists fighting among themselves. Require oil companies to buy tickets, at auction, from the U.S. Government for the right to import oil. (Such allocations were given away in the 1950's; in the future, they should be sold.)

The companies would then go to foreign suppliers and pass on the cost of the tickets. Because oil is in oversupply and we are the biggest buyer, some oil producers would secretly go along—effectively discounting their prices without losing face. Whatever the posted monopoly price, the fluctuating deduction of the ticket price would enforce a true market price.

3. Play favorites among producers. Exempt Mexico from all oil import fees in return for a long-term, below-market contract for oil to fill our strategic reserve. Exempt Venezuela if it will resign from OPEC and join an all-American production alliance. Switch half our Libyan purchases to Nigeria, and the remainder if this does

not affect Colonel Qaddafi's support of terrorism.

4. Put on the commercial squeeze. Tell the companies to slow down acceptance of foreign oil; run 15-knot tankers at 8 knots; stall on payments and go to court on contracts. Let the vulnerable suppliers feel a cash pinch, miss a few payrolls, endure a few strikes. Replace the arrogance of the seller with the arrogance of the buyer.

This is not ordinary business practice. But in kowtowing to a monopoly, or in seeking to break it, long-term business relationships mean nothing. To a cartel, only economic power counts.

Only if we force the monopolists to undercut each other will we discover if the Saudis are really the moderates they claim to be. Only when we take the lead will the other major importers, Japan and West Germany, see their self-interest in following.

The glut is a black-golden opportunity; with daring and imagination, we can seize this moment to turn back the assault on the American economy. ●

DEFENSE PRIORITIES MUST BE REVIEWED

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. VENTO. Mr. Speaker, in considering the supplemental appropriations bill as it relates to the Department of Defense, I am most concerned that the conference committee did not adequately address pressing needs while being overly generous with a program, the F/A-18 naval aircraft, which has serious cost and technical problems.

The Navy has documented a need for crucial spare parts, particularly naval missiles. However, instead of using our limited Federal dollars to meet these immediate needs, Congress has chosen to sink another \$95.5 million into the F/A-18. This policy is unsound. Originally promoted as the low-cost, high-performance aircraft of the future, the F/A-18 is now the most costly program we have. The functions of this aircraft have been reduced to Navy light attack and Marine fighter roles. The Marine light attack function has been transferred to the AV-8B and the Navy fighter force is to be equipped totally with F-14's.

The Navy's initial operational test and evaluation of the F/A-18 found the aircraft unsuitable for this attack mission. Even if these difficulties were solved, the F/A-18 would still be a disaster for the Navy attack mission. The A-7, which the F/A-18 is supposed to replace, can carry the same bomb load twice as far while the A-6 can quadruple the F/A-18's bomb load over the same range as the A-7. Defenders of the F/A-18 note its supersonic capability but it cannot attain supersonic speed until after it has dropped its weapons and then only at a great reduction of range.

With regards to the Marine Corps fighter function, the question centers

around the need to commit billions of taxpayers' dollars for this limited function. The F-14 has been shown in Navy comparisons with the F/A-18 to be three times as effective a fighter and twice as effective as an escort of strike aircraft. A second alternative would be the AV-8B. The Marine Corps has praised this aircraft's dog-fighting capability and the addition of enhanced fighter avionics would provide the AV-8B with a logistics advantage.

In this time of a limited Federal budget, we must reorder our priorities. We cannot squander millions and billions in an inefficient program while facing severe material shortages in the field. For example, during the recent Lebanese crisis, five of our Harpoon-equipped ships in the Mediterranean had no missiles. I believe that Congress must reassess our defense priorities with a view to maximizing our defense capabilities. ●

WILLIAM RASPBERRY COMMENTS ON CONGRESSMAN HYDE'S VOTING RIGHTS PROPOSAL

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. McCLORY. Mr. Speaker, the Voting Rights Act of 1964, which expires next year, is the subject of proposed extension or modification before the Civil and Constitutional Rights Subcommittee of the House Judiciary Committee. My colleague from Illinois (Mr. Hyde) is proposing a modification or substitute measure which has aroused substantial comment.

A most illuminating column in the Wednesday edition of the Washington Post by the distinguished black columnist, William Raspberry, discusses provisions of the Hyde proposal and Mr. Hyde's explanation of it in a manner which seems to me to be objective, fair, and enlightening.

Mr. Speaker, without further comment, I would like to include herewith Mr. Raspberry's column, entitled: "New Ways in the Old South," as follows:

[From the Washington Post, June 3, 1981]

NEW WAYS IN THE OLD SOUTH
(By William Raspberry)

"Some members of Congress," I wrote in a recent column, "have proposed to junk the 'pre-clearance' provision [of the Voting Rights Act] altogether. Rep. Henry Hyde (R-Ill.) argued last week that the states of the Old Confederacy affected by the act 'have been in the penalty box for nearly 17 years. They have improved their record.'"

The quote, Hyde now tells me, is accurate enough. The implication that be is among those members of Congress who would

"junk the 'pre-clearance' provision" is not, he says.

What his compromise proposal would do, he told me, is to remove the burden of proof from jurisdictions seeking to change their voting rules and place it on the complaining parties.

Hyde admits that his proposal would make it tougher for minorities to prove discrimination. "I'm not offering an eight-course banquet, but this is no cold cheese sandwich, either," he insists. His only interest, he says, is to come up with a piece of legislation that is passable. Otherwise, the crucial provisions of the act will die next year.

Under the present provisions of the act, which will expire in August 1982, unless extended by Congress, governments in the Old South cannot change their voting or election rules without first checking with the Justice Department to be sure that the proposed changes do not discriminate against black and Hispanic minorities. The requirement was based on the notion that state and local officials who had conspired to deny the vote to their black, and brown constituents could be expected to enact changes to circumvent the Voting Rights Act.

Under the Hyde "compromise," the jurisdictions would no longer have to prove that the proposed changes were not discriminatory; the complaining parties would have to prove that they were. "This is admittedly a significant change from the existing practice, and one on which reasonable men can differ," Hyde says of his proposal. "It is, though, my considered opinion that such an alteration may satisfy the many members of Congress who philosophically dislike administrative procedures, generally. These same members find them particularly distasteful when they are used to enforce civil rights laws and are therefore subject to political manipulation. I need only cite last year's congressional debate on the Fair Housing Act as an example of the problem an administrative remedy can cause when it is used to adjudicate civil rights issues."

As Hyde points out, the bulk of the 1965 Voting Rights Act remains intact. The crucial problem is "pre-clearance," whose "special requirements, not applied to other sovereign states, carries with it a stigma; furthermore, many members of Congress believe the inability to escape coverage regardless of performance generates resentment and serves as an incentive for improvement."

That is an interesting point, legally and psychologically. What Hyde is arguing for is some method by which a state in the Old Confederacy could demonstrate that it has joined the Union, that is no longer practices—or wishes to practice—voter discrimination. That could be a strong incentive to change.

He would offer a carrot. If a state could demonstrate that it has changed its pattern and practice—by showing that it has not had more than one objection to voting rule changes sustained against it for a certain period of years—the state would be exempted from the "pre-clearance" provisions of the Voting Rights Act. On the other hand, if any state—north or south—had two or more objections sustained against it, it would automatically be subjected to "pre-clearance."

The important point—philosophically in terms of fairness, and politically in terms of getting the act extended—is to remove the automatic and odious distinctions between sections of the country, Hyde contends.

He is aware of the fears among blacks that "pre-clearance" might go by the boards, but he insists the fears are not well founded. In addition, he says, his proposal would permit reimbursement of lawyers' fees for successful plaintiffs north and south.

Hyde says he is doing his "level best to fashion a compromise proposal which will, contrary to the claim you made in your article, mandate retention of the traditional pre-clearance remedy which many believe has helped achieve much of the success which minorities have had under the act. I also suggest that southern attitudes have changed, are changing and will continue to change in a constructive way."

In addition to burden-shift proposal, Hyde says he is also working on a bail-out provision by which states could escape the provisions of the act and that he would be willing to have the courts retain jurisdiction after bail-out "so that anyone who fears a return to 'business as usual' has a forum for immediate relief."

He insists that he is sincere in his effort to work out an acceptable compromise and "would appreciate it if I were not automatically lumped into a category with those, on either side, who are inflexible and unwilling to even consider some sort of middle position."

NATIONAL WILD TURKEY WEEK AND DAY

HON. BUTLER DERRICK

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. DERRICK. Mr. Speaker, I am today introducing legislation, which would establish the American wild turkey, our only native big game bird, as an integral part of our country's heritage. By joint resolution, Mr. Speaker, I am requesting the President to proclaim the third week of November of each year as National Wild Turkey Week with the National Wild Turkey Day to fall on Thanksgiving Day.

Mr. Speaker, in colonial time, the wild turkey was an abundant source of food and saved many struggling settlers from starvation. It is traditionally thought that turkey was served at the first Thanksgiving. Benjamin Franklin believed the wild turkey was so important to the economy that he asked the Continental Congress to make it our national game bird. Though it was rejected in favor of the bald eagle, the wild turkey continue to be a valuable natural wildlife resource.

Most people take our wildlife for granted. However, the wild turkey and other wildlife can only be preserved through the cooperation of conservationists, sportsman, wildlife managers, environmentalists, and every American citizen using our outdoor resources.

Originally the wild turkey existed in untold millions in the Eastern two-thirds of the United States. Little thought was given to the perpetuation

of the wild turkey, as our natural resources were thought to be limitless. As a result, wild turkey populations have declined rapidly. The turkey disappeared from Connecticut in 1813, Massachusetts by 1851, Indiana by 1900, and by 1920, it no longer existed in 18 of the 36 states in which it was native.

During the 1920-45 period, most observers were pessimistic about the bird's future. Meanwhile, forests that had been rendered unsuitable for the wild turkey by widespread logging and wildfire began to mature into suitable habitat, setting the stage for the wild turkey's recovery.

Highly trained biologists entered wildlife management in the 1940's and 1950's. Sophisticated techniques in live-trapping and transplanting of wild native stock rapidly evolved. Over 20,000 live-trapped, native turkeys have been transplanted in the last three decades.

The annual wild turkey harvest increased nearly threefold in the United States during the 1952-58 period. Today, wild turkeys have been reintroduced into eight States in the East and two States west of the Mississippi from which they were extirpated.

Despite recent successes, the turkey's future is not necessarily bright. Economic progress in the form of industrial and housing developments, construction of highways and dams, increasing human populations and unfavorable forestry practices such as large-scale clear cutting and conversion to monocultural systems, is destroying habitat on a tremendous scale.

I am pleased to note, Mr. Speaker, that there is an organization dedicated to restoring and managing rather than exploiting, the wild turkey and other valuable wildlife resources. The National Wild Turkey Federation, founded in 1973, is dedicated to the wise conservation and management of the American wild turkey and to strengthen the spirit of cooperation between landowners and users. And I am also pleased to note, Mr. Speaker, that presently under construction in my district and home county is the Wild Turkey Research Center.

Mr. Speaker, I am confident that the efforts alluded to above will be greatly facilitated by the passage of this measure, and I solicit my colleague's co-sponsorship and support for this legislation.

INTEREST RATES—THE U.S. ECONOMY FOR THE NEXT FEW YEARS—THE EASTERN ESTABLISHMENT

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 4, 1981

● Mr. McDONALD. Mr. Speaker, in this time of conflicting economic signals and promised solutions, it is most fitting to read what Prof. Antony Sutton perceives is our Nation's true course and direction. In an interview by Neland D. Noble, published in a June advisory letter by North American Coin & Currency, Ltd., Professor Sutton untangles many of the confusing signals we are receiving. I commend it to the attention of my colleagues.

SPECIAL INTERVIEW

With a new administration in Washington, it is appropriate to once again interview Professor Antony Sutton the author of such books as *National Suicide*, *The War On Gold*, *Wall Street and the Bolshevik Revolution*, *Wall Street and the Rise of Hitler*, *Wall Street and FDR*, and *Western Technology and Soviet Development, 1917-1930*. Professor Sutton was born in London, but became a U.S. citizen in 1962. He has been a professor of economics at California State University and a research fellow at the Hoover Institution on War, Revolution and Peace at Stanford University. Neland D. Noble conducted the following interview on May 13th.

NAC. The theme of several of your books traces the operation of a non-elected elite in this country that has had great influence in both government and industry. For the benefit of our readers, could you briefly explain this elite's origins and how they've operated in this country?

SUTTON. First of all, there is most definitely an establishment elite. This is very difficult for many Americans to appreciate because of the Constitutional tradition of the U.S.; it's much easier for Europeans to understand it. In effect, it dominates foreign and (to a great extent) domestic policy. Its origin is within from what we might call international banking circles. This is rather an elusive phrase, because it certainly doesn't include all banks. What we are talking about is a very few multi-nationals. And the people who run these banks consider themselves to be international citizens rather than just American citizens. So, we're not talking about the average American banker around the corner. We're talking about a few gentlemen who view the world in global terms and who have in effect abandoned their U.S. citizenship.

NAC. Could you give us some examples where you find this elite in operation?

SUTTON. Yes. The most important by far was founded in 1919 and called the Council on Foreign Relations. It sprung out of some meetings in Paris just after WW-I and links back to the Royal Institute for International Affairs. The CFR has been dominant in US foreign policy since the 1930's, but reached its peak in the 1950's. In the 1960's, however, it was becoming too large with over 2,000 members, and so in 1973 the Trilateral Commission was founded by David Rockefeller of Chase Manhattan Bank.

Zbigniew Brzezinski was the first National Director. The Carter administration had about 20 CFR/TC members in high government positions. That should give you some idea.

NAC. In your two volumes, *Trilaterals Over Washington* you demonstrate the linkage between members of the Carter administration and industry groups and how they work together. How does the Reagan administration stack up in terms of this international elite?

SUTTON. First, let's get back to the elections and the powers behind the scenes. The Carter administration was dominated by the Trilateral Commission. But almost unknown to most people was that the John Anderson campaign was also a Trilateral front. I looked at the financing of Anderson in the Federal Election Commission reports, and I found out that the CFR had heavily financed Anderson. Getting to Reagan, who is himself NOT a Trilateralist, I honestly believe that he represents traditional American values and that's why he got elected. But the Trilaterals needed such a man at that point because, over the last decade or two, a vast underground has developed in the US—through the newsletters, through the gold and silver markets and even the anti-establishment culture of the left, etc. So, what was needed at the time of the election was a Presidential candidate who would reflect "grass roots" values, and Reagan was the ideal man, so the Trilaterals got behind Reagan.

The makeup of his administration is very interesting. You can superficially only spy a few Trilaterals—Caspar Weinberger, George Bush—but that's not all. For example, William Casey (CIA), Malcolm Baldrige and General Haig are CFR and Reagan indirectly reflects the elite through his Wall Street background. At the moment what you've got is a struggle within the administration (regarding the making of appointments) between two groups. On one side you've got the grass roots people, and on the other side you've got those international globalist thinkers who want to take us into a new world order.

NAC. What is the elite's attitude toward money?

SUTTON. If you want to, you can go all the way back to the Constitutional debates between the Jeffersonians and the Hamiltonians. Basically, to control society politically, you've got to have a fiat money. You see this today in the Federal Reserve System, which is a private company—not government—established in 1913 with the power of the banks behind it. Essentially the FED is a control mechanism for this elite, so they must have a fiat money system. The last thing they want is gold and silver, because they give citizens individual sovereignty. You can't just create gold and silver at will as the FED can fiat paper money. In other words, there's no way to control the monetary system if you have gold or silver in the system. This is the basis of their monetary ideas and they fully understand it and use it to their advantage.

NAC. Edwin Meese made a statement recently that the administration had no intention of bringing back the gold standard. Do you think gold's chances are doomed?

SUTTON. I think conservatives have been much too optimistic about what's going to come out of the Reagan administration. In my view, you can dismiss any idea that we're going to back to the gold standard. First, the elite is currently both panicky and insecure. It knows that it is under attack,

where the attack is coming from, and they're afraid of those behind it. Second, the elite has tremendous resources and they are going to start to bring these resources to bear. So, in the long run the only way we're going to get back to a gold standard is through Congress and the electoral process.

NAC. Can the Reagan administration manage a controlled deflation of the U.S. economy?

SUTTON. Very definitely not. There are very few signs, when you look at the numbers, that we're heading into a controlled deflation. And even if we were, it's a process that is extremely hard to control. Mass psychology plays an important part, so, if we get into a deflationary spiral there's no telling where it will stop. I think Franklin Roosevelt found this out in 1933-34 when he tried to inflate the economy and saw how difficult it was. And of course the FED finds out how hard it is today on a daily basis. It's very difficult to control with any degree of fine-tuning what happens in either a financial or economic system.

NAC. If not a controlled deflation, what's Reagan going to bring us? And what about his budget cut rhetoric?

SUTTON. I'm glad you said "rhetoric", because Reagan's cuts are not cuts at all. Let me give you the numbers from America's New Beginning—A Program for Economic Recovery. First of all, Reagan's proposed cuts are only reductions in what Carter proposed. In other words, we aren't cutting at all, but just reducing the increase. Carter's proposed expenditures for 1981 is \$657 billion. Reagan proposed 1986 budget is \$912 billion. It is obvious that we are not talking about real budget cuts, but rather a 50 percent increase over the next five years. So, like you said, we're getting rhetoric.

You see, the elite needed a man like Reagan, because the whole financial situation was getting out of control, yet, even the elite saw the need for re-armament. If they were to impose re-armament PLUS the Carter budget, the situation would have gotten out of control very quickly. So, what they needed was the rhetoric Reagan was preaching which was supposed to dampen inflation. But you have got to look beyond the rhetoric to the numbers, and you find that what the Reagan camp is doing is making minor adjustments, on top of which they will put re-armament costs. So, we are going to get a 50 percent increase, not a reduction.

NAC. In your book, *National Suicide*, and in your three volumes on the transfer of U.S. technology to the USSR, you documented massive transfers of military technology to the Soviets which was financed in fact by this elite. Why do you think the elite is suddenly interested in re-armament? Isn't this a contradiction to their previous policy?

SUTTON. No. Because you make money out of conflict. Over \$400 billion in contracts came out of the Vietnamese War. That's one aspect. Another aspect is that even the elite, which frankly is far more stupid than is generally believed, can see the massive expansion of the USSR—Angola, Mozambique, Central America, Cambodia, Iran, Afghanistan and South Africa—even the elite has finally had its eyes opened. The USSR means what they say; they are going to expand. And this is why I said earlier that the elite has become panicky and why they have to have re-armament.

NAC. When it becomes clear that Reagan's cuts are NOT cuts, what will be the re-

sults in the financial markets by the mid-1980's?

SUTTON. You know, 5 years ago, I predicted 20 percent interest rates and I hit it right on the nose. I think you're going to see in the mid-1980's interest rates which have been unknown in this country since probably the mid-nineteenth century—you are going to see them at about 30 percent. And you're going to see rates of inflation of the same order. It's just a matter of time once the current "deflationary bubble" is burst. And events over the next eighteen months will slowly impress this upon people. But you cannot time it exactly. Gradually, inflationary expectations will re-emerge, and of course, when the majority begins to expect inflation and we get a resumption of anticipatory spending—then you are going to see inflation like you've never seen it before. I see no way it can be avoided.

NAC. The elite's past connection to gold is evidenced by Rhodes Trust's underwriting of the CFR in 1919. But what is this connection today?

SUTTON. I'm speculating here. But if you were to look at the Rothschild Investment Trust in Paris and London, I bet you'd find they've got about 30 percent in gold assets. In other words, there are two elites at least. The elite based on the Rothschild empire has a somewhat different view—more European and African—than the elite in the U.S.

NAC. Is there a connection between the gold mining industry today and the operation of these elites? Is the attack on gold from the IMF and the U.S. Treasury simply a cover for them to accumulate gold assets?

SUTTON. It may be, but I've no proof of that. I think what you've got is one of the

elites in the world, based in Europe, has always been gold oriented. They of course are the ones who control Anglo America. I think this European elite is heavily tied to gold and has different objectives than the American elite. Interestingly enough, you've got representatives sitting in with the Trilaterals. So, while they may compete on one level, they are cooperating on others.

Whether the Rockefeller elite owns gold, I do not know. It obviously can get more political power by manipulating a fiat money system.

NAC. We've had statements from Reagan that he'd like to see gold at \$250, and Volcker has said the same thing. And of course Volcker made his public attack on Mr. Hunt during the time of negotiations for the special loans to Hunt.

SUTTON. You've made a very important point there. That attack on Bunker Hunt was obviously a concerted and deliberate effort—but who gained? The man who gained the most—a \$100 million profit according to his own statement—was Armand Hammer of Occidental Petroleum, the son of Julius Hammer, Secretary General of the Communist Party, U.S.A., and whose brother is still a Soviet citizen.

Hammer has always maintained close ties with the U.S.S.R. Another interesting fact is that when Reagan lifted the grain embargo, he also lifted the phosphate fertilizer embargo. Occidental Petroleum is one of the largest phosphate fertilizer producers in the U.S. and clearly stood to gain from the lifting of the grain embargo. And this under the Reagan administration.

NAC. It doesn't appear that much has changed.

SUTTON. I don't think they've changed. I think that in two or three years when you look back, you'll see it was just another facade. I don't think Reagan is part of it—I think he's an honestly conservative American—but he is dealing with powers beyond his control.

NAC. Would you like to make a summary statement about the topic we've covered here?

SUTTON. Yes. Recently, there was a dinner given in honor of Robert McNamara. The host and main speaker, David Rockefeller, had intended the meeting to be a closed one and the speeches confidential, but it appears as if there were significant leaks.

I heard of it through my European contacts. Although there were two versions which differed slightly due to translation, they essentially told the same tale. I found it extraordinary how Rockefeller admits that they have in fact built a new world order. And he also mentions a conflict within the elite between the old and the new which involves more than just budget cuts. I quote: "... because it's going to endanger the new world order which we have based on an alliance between Wall Street and Washington." In other words David is now coming out and saying exactly what I've been saying in my books. Another quote: "Now radical conservatives are attempting to destroy all that and seeking first and foremost to serve the national interests of the U.S." In other words, David is now admitting that he is no longer an American, but an international.

NAC. Thank you Professor Sutton.●